THE Public Interest

NUMBER 14, WINTER 1969. PRICE: $1.50

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THE PUBLIC INTEREST is published quarterly by National Affairs, Inc., and appears in Spring, Summer, Autumn, and Winter issues. Its office of publication is located at 404 Park Avenue South, New York, N. Y. 10016. Subscription price: $5.00 per year. Second class postage is paid at New York, N. Y. © 1969 by National Affairs, Inc.

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c/o Basic Books, Inc.
404 Park Avenue South, N. Y. 10016

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The Public Interest
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Hoboken, N. J. 07030

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The sickness of government

PETER F. DRUCKER

GOVERNMENT surely has never been more prominent than today. The most despotic government of 1900 would not have dared probe into the private affairs of its citizens as income tax collectors now do routinely in the freest society. Even the tsar's secret police did not go in for the security investigations we now take for granted. Nor could any bureaucrat of 1900 have imagined the questionnaires that governments now expect businesses, universities, or citizens to fill out in ever-mounting number and ever-increasing detail. At the same time, government has everywhere become the largest employer in the society.

Government is certainly all-pervasive. But is it truly strong? Or is it only big?

There is mounting evidence that government is big rather than strong; that it is fat and flabby rather than powerful; that it costs a great deal but does not achieve much. There is mounting evidence also that the citizen less and less believes in government and is increasingly disenchanted with it. Indeed, government is sick—and just at the time when we need a strong, healthy, and vigorous government.

There is obviously little respect for government among the young —but the adults, the taxpayers, are also increasingly disenchanted. They want still more services from government. But they are everywhere approaching the point where they balk at paying for a bigger

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government, even though they may still want what government promises to give.

The disenchantment with government cuts across national boundaries and ideological lines. It is as prevalent in Communist as in democratic societies, as common in white as in nonwhite countries. This disenchantment may well be the most profound discontinuity in the world around us. It marks a sharp change in mood and attitude between this generation and its predecessors. For seventy years or so—from the 1890's to the 1960's—mankind, especially in the developed countries, was hypnotized by government. We were in love with it and saw no limits to its abilities, or to its good intentions. Rarely has there been a more torrid political love affair than that between government and the generations that reached manhood between 1918 and 1960. Anything that anyone felt needed doing during this period was to be turned over to government—and this, everyone seemed to believe, made sure that the job was already done.

The Fabians in Great Britain or the German Social Democrats started their love affair with government before 1900. It became general with World War I when government, using taxation and the printing press, had mobilized social resources way beyond what anyone earlier would have thought possible. When the Great Depression hit, a decade later, everyone immediately turned to government as the savior. It is pathetic to recall the naïve belief that prevailed in the late 1930's—such, for instance, as was preached in one of the best-sellers of the depression years, *To Plan or Not to Plan,* by the British Labour economist Barbara Wooton. The book's author, honored by the British government with a life peerage as Lady Wooton, is still alive and active; but nothing is more remote from us today, or less appealing, than the messianic innocence of this fervent love letter to government. All it says, and it says it on every page, is: "Utopia is here—all that's needed is to take everything away from the wicked, selfish interests and to turn it over to government." World War II reinforced this belief. Again, government proved itself incredibly effective in organizing the energies of society for warfare.

Disenchantment

But now our attitudes are in transition. We are rapidly moving to doubt and distrust of government and, in the case of the young, even to rebellion against it. We still, if only out of habit, turn social tasks over to government. We still revise unsuccessful programs over and over again, and assert that nothing is wrong with them that a change in procedures or a "competent administrator" will not cure. But we no longer really believe these promises when we

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reform a bungled program for the third time. Who, for instance, any longer believes that administrative changes in the foreign aid program of the United States (or of the United Nations) will really produce rapid world-wide development? Who really believes that the War on Poverty will vanquish poverty in the cities? Who in France believes that one more commission on administrative reform will really change the system? Or who, in Russia, really believes that a new program of incentives will make the collective farm productive?

We still repeat the slogans of yesteryear. Indeed, we still act on them. But we no longer believe in them. We no longer expect results from government. What was torrid romance between the people and government for so very long has now become a tired, middle-aged liaison which we do not quite know how to break off but which only becomes exacerbated by being dragged out.

What explains this disenchantment with government?

We expected miracles—and that always produces disillusionment. Government, it was widely believed (though only subconsciously) would produce a great many things for nothing. Cost was thought to be a function of who did something rather than of what was being attempted. There is little doubt, for instance, that the British, in adopting the "free health service," believed that medical care would cost nothing. All that such a health service can be, of course, is a form of "pre-paid" medical care. Nurses, doctors, hospitals, drugs, and so on have to be paid for by somebody. But everybody expected this "somebody" to be somebody else. At the least, everyone expected that under a "free" health service the taxes of the rich would pay for the health care of the poor. But there never are enough rich people around to carry the burden of any general service.

All such plans are, in effect, taxation and compulsory saving that force the individual to pay for something whether he wants it or not. This is their whole rationale, and it is not necessarily a bad rationale. But the illusion persisted that government could somehow make costs go away and produce a great deal for nothing—or at the expense of only an affluent minority.

Abolishing "vested interests"

This belief has been, in effect, only one facet of a much more general illusion from which the educated and the intellectuals in particular have suffered: that by turning tasks over to government, conflict and decision would be made to go away. Once the "wicked private interests" had been eliminated, a decision as to the right course of action would be rational and automatic. There would be neither selfishness nor political passion. Belief in government

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was thus largely a romantic escape from politics and from responsibility.

One root of this argument was a hatred of business, of profit, and, above all, of wealth. That motives other than the desire for monetary gain could underlie self-interests and that values other than financial values could underlie conflict did not occur to the generation of the 1930's. Theirs was a world in which economics seemed to be the one obstacle to the millennium. Power did not appear in their vision—though this blindness in the decade of Hitler and Stalin is hard to imagine, let alone to understand. C. P. Snow's description in *The Masters* (1951) of the conflict for power within the "self-less" and "disinterested" small community of an Oxbridge college profoundly shocked the sensibilities of a generation that had grown up believing that conflicts were always motivated by economic self-interest and could be avoided by eliminating gain, that is, by nationalizing the economy.

One need not be in favor of free enterprise—let alone a friend of wealth—to see the fallacy in this argument. But reason had little to do with the belief in government ownership as the panacea. The argument was simply: "private business and profits are bad—*ergo* government ownership must be good." We may still believe in the premise; but we no longer accept the "*ergo*." Thus, the Labour government felt committed in 1967 to renationalize the British steel industry (just at the time when, ironically, the industry was on the verge of long-term decline, and when, therefore, take-over by government meant the highest possible windfall profit for the shareholders). But it immediately declared that the industry would have to be run for profit. It put in as chief executive the purest of arch-capitalists, Lord Melchett, heir to one of the world's greatest industrial fortunes (his grandfather and father founded and built Imperial Chemical Industries), a hereditary peer and a top-flight investment banker, in addition to being a life-long Tory! By contrast, less than twenty years earlier, when steel was first nationalized in Britain by an earlier Labour government, an ideologically "pure" trade-union stalwart had been the chief-executive-designate.

There is still a good deal of resistance to the responsibility of politics, and resentment of the burden of political decision. Indeed, the young today want to "drop out" altogether—in a frightening revival of the hostility to responsibility that made an earlier young generation, forty years ago, so receptive to totalitarian promises and slogans. But no one, least of all the young, believes any longer that the conflicts, the decisions, the problems would be eliminated by turning things over to government. Government, on the contrary, has itself become one of the wicked "vested interests" for the young.

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A case of nonperformance

The greatest factor in the disenchantment with government is that government has not performed. The record over these last thirty or forty years has been dismal. Government has proven itself capable of doing only two things with great effectiveness. It can wage war. And it can inflate the currency. Other things it can promise, but only rarely accomplish. Its record as an industrial manager, in the satellite countries of Eastern Europe as well as in the nationalized industries of Great Britain, has been unimpressive. Whether private enterprise would have done worse is not even relevant. For we expected near-perfection from government as industrial manager. Instead we only rarely obtained even below-average mediocrity.

Government as a planner has hardly done much better (whether in Communist Czechoslovakia or in de Gaulle's capitalist France). But the greatest disappointment, the great letdown, is the fiasco of the welfare state. Not many people would want to do without the social services and welfare benefits of an affluent, modern, industrial society. But the welfare state promised to do far more than to provide social services. It promised to create a new and happy society. It promised to release creative energies. It promised to do away with ugliness and envy and strife. No matter how well it is doing its jobs—and in some areas, in some countries, some jobs are being done very well—the welfare state turns out at best to be just another big insurance company, as exciting, as creative, and as inspiring as insurance companies tend to be. This explains why President Johnson's spectacular performance in enacting the unfinished welfare tasks of the New Deal failed to make him a hero with the public.

The best we get from government in the welfare state is competent mediocrity. More often we do not even get that; we get incompetence such as we would not tolerate in an insurance company. In every country, there are big areas of government administration where there is no performance whatever—only costs. This is true not only of the mess of the big cities, which no government—United States, British, Japanese, or Russian—has been able to handle. It is true in education. It is true in transportation. And the more we expand the welfare state, the less capable even of routine mediocrity does it seem to become.

I do not know whether Americans are particularly inept at public administration—though they are hardly particularly gifted for it. Perhaps, we are only more sensitive than other people to incompetence and arrogance of bureaucracy because we have had, until recently, comparatively so much less of it than other people. In

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any case, we are now appalled to realize that, during the past three decades, federal payments to the big cities have increased almost a hundred-fold for all kinds of programs, whereas results from this incredible dollar-flood are singularly unimpressive. What *is* impressive is the administrative incompetence. We now have ten times as many government agencies concerned with city problems as we had in 1939. We have increased by a factor of thousand or so the number of reports and papers that have to be filled out before anything can be done in the city. Social workers in New York City spend some 70 or 80 per cent of their time filling out papers for Washington, for the state government in Albany, and for New York City. No more than 20 or 30 per cent of their time, that is, almost an hour and a half a day, is available for their clients, the poor. As James Reston reported in *The New York Times* (November 23, 1966), there were then 170 different federal aid programs on the books, financed by over 400 separate appropriations and administered by 21 federal departments and agencies aided by 150 Washington bureaus and over 400 regional offices. One Congressional session alone passed 20 health programs, 17 new educational programs, 15 new economic development programs, 12 new programs for the cities, 17 new resources development programs, and 4 new manpower training programs, each with its own administrative machinery.

This is not perhaps a fair example—even of American administrative incompetence. That we speak of "urban crisis," when we face a problem of race, explains a lot of our troubles. But in other areas, the welfare state has not performed much better. Nor is the administrative mess a peculiarly American phenomenon. The daily press in Great Britain, in Germany, in Japan, in France, in Scandinavia—and increasingly in the Communist countries as well—reports the same confusion, the same lack of performance, the same proliferation of agencies, of programs, of forms—and the same triumph of accounting rules over results. Everywhere, rivalry between various agencies is replacing concern with results and with responsibility.

Power without policy

Modern government has become ungovernable. There is no government today that can still claim control of its bureaucracy and of its various agencies. Government agencies are all becoming autonomous, ends in themselves, and directed by their own desire for power, their own narrow vision rather than by national policy.

This is a threat to the basic capacity of government to give direction and leadership. Increasingly, policy is fragmented, and execution is governed by the inertia of the large bureaucratic empires,

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rather than by policy. Bureaucrats keep on doing what their procedures describe. Their tendency, as is only human, is to identify what is in the best interest of the agency with what is right, and what fits administrative convenience with effectiveness. As a result the Welfare State cannot set priorities. It cannot concentrate its tremendous resources—and therefore does not get anything done.

The President of the United States may still be the most powerful ruler—more powerful than either the prime ministers of parliamentary regimes dependent upon a majority in parliament, or the dictators who can be overthrown by conspiracies against them among the powerful factions within their totalitarian apparatus. And yet even the President of the United States cannot direct national policy any more. The various beaucracies do much what they want to do. The Anti-Trust Division of the Department of Justice, for instance, has been making its own policies and pursuing its own course these last twenty years, with little concern for what the incumbent President believes or orders. The Soil Conservation Service and the Bureau of Reclamation, the Forestry Service and the Weather Bureau, the Federal Trade Commission and the Army Engineers have similarly become "independent" rather than "autonomous."

Not so long ago, policy control by the political organs of government could be taken for granted. Of course there were "strong" and "weak" presidents as there were "strong" and "weak" prime ministers. A Franklin Roosevelt or a Winston Churchill could get things done that weaker men could not have accomplished. But this was, people generally believed, because they had the courage of strong convictions, the willingness to lay down bold and effective policies, the ability to mobilize public vision. Today, a "strong" president or a "strong" prime minister is not a man of strong policies; he is the man who knows how to make the lions of the bureaucracy do his bidding. John Kennedy had all the strength of conviction and all the boldness of a "strong" president; this is why he captured the imagination, especially of the young. He had, however, no impact whatever on the bureaucracy. He was a "strong" president in the traditional sense. But he was a singularly ineffectual one. His contemporary, Mr. Khrushchev in Russia, similarly failed to be effective despite his apparent boldness and his popular appeal. By contrast, bureaucratic men who had no policies and no leadership qualities emerge as effective—they somehow know how to make red tape do their bidding. But then, of course, they use it for the one thing red tape is good for, i.e., bundling up yesterday in neat packages.

This growing disparity between apparent power and actual lack of control is perhaps the greatest crisis of government. We are very good at creating administrative agencies. But no sooner are they called into being than they become ends in themselves, acquire

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their own constituency as well as a "vested right" to grants from the treasury, continuing support by the taxpayer, and immunity to political direction. No sooner, in other words, are they born than they defy public will and public policy.

International impotence

The crisis of government domestically is nothing compared to the crisis of government as an effective organ in international life. In the international arena, government has all but disintegrated. The "sovereign state" no longer functions as the effective organ for political tasks. This is not happening, as the liberals had always hoped, because a political world community has transcended the narrow, petty boundaries of national states. On the contrary, the national state is everywhere in danger of collapsing into petty, parochial baronies—whether French Canada or an independent Flanders, Biafra in West Africa or self-governing Scotland.

To our grandparents, around 1900, it was clear that the trend ran toward larger government units. It was clear to them that the national state created political organisms capable of effective co-operation in international society. This had been the lesson of nineteenth-century history. Indeed the century closed with the last "unification," though an imposed one: the taking over of the Boer Republics of South Africa by the British and their incorporation into the British Empire.

Since then, the process has been one of steady fission. It began in the Balkan wars, which, undertaken to create larger unified countries, ended by creating more small ones. It has accelerated ever since. Even Czechoslovakia, the most successful of the new countries created in World War I, proved incapable of becoming the effective agent of unification but was torn apart by the strife of the national minorities—German, Hungarian, and Slovak—that refused to be "unified."

Not one of the new countries established since World World II has so far created the unified nation that, to the nineteenth century, was so obviously the end point of history. Instead we are getting tribal splinters, pretending to be national states, imposing on their citizens all the costs of a national state, driven by all the jealousies, resentments, and pride of a national state—but incapable of being an effective organ either of domestic government or of the international community. Increasingly, we are fragmenting the world into governmental pigmies, each endowed with tremendous power vis-à-vis its citizens, each perfectly capable of tyranny, but incapable of governing.

In 1900 there were fewer than fifty sovereignties in the whole world—twenty in Europe and twenty in the Americas, with the rest

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of the world having fewer than a dozen. World War I increased the number to about sixty. Now we have more than 160, with new "mini-states" joining the ranks almost every month. Only on the American continents has there been no splintering of sovereignties. There are twenty-odd sovereignties of 1900 are still, by and large, the political reality of today (except in the rapidly fragmenting Caribbean area). Some of the new sovereignties are very large countries: India, Pakistan, Indonesia. But most of them are smaller than the Central-American countries an earlier generation contemptuously dismissed as "banana republics," and much too small to discharge the minimum responsibilities of sovereignty. Today we have scores of "independent nations" whose population is well below a million people. Indeed we have some whose population is hardly as large as a good-sized village.

At the other end of the scale, we have the "super-powers" whose very size and power debar them from having a national policy. They are concerned with everything, engaged everywhere, affected by every single political event no matter how remote or petty. But policy is choice and selection. If one cannot choose not to be engaged, one cannot have a policy—and neither the United States nor Russia can, in effect, say: "we are not interested." The "super-powers" are the international version of the welfare state—and, like the welfare state, incapable of priorities or of accomplishments. The super-powers, therefore, invariably over-react—as Russia has done in the satellite countries and as the United States has done in the Congo, in Santo Domingo, and perhaps in Vietnam. Yet they underachieve. Their might, although great enough to annihilate each other—and the rest of us into the bargain—is inappropriate to the political task.

This means that decisions in the international sphere can no longer be made in an orderly and systematic fashion. It is no longer possible for any decision to be arrived at by negotiation, consultation, agreement. It can only be arrived at by dictation or by exhaustion. Although force has, therefore, become infinitely more important in the international system, it has become infinitely less decisive—unless it be the ultimate force of a nuclear war that might destroy mankind.

Decisions are also no longer effective. No longer can they be expected to be carried out. In the international sphere, we have the same divorce of policy from execution that characterizes domestic government. We get more and more governments. But all this does is to increase costs. For each of these sovereignties has to have its own foreign service, its own armed forces, and so on. And no government, whether its territory spans the continents or is smaller than one city block, can any longer discharge the first duty of government: protection from, and defense against, attack from outside.

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It is perfectly true that most of the new "mini-states" are political absurdities, defenseless against the threat of instant annihilation. But so are the "super-powers" in this age of nuclear "over-kill." With nuclear weapons being easy to make and, in effect, available to the smallest and weakest country, there is no "defense." There is only—questionably—"deterrence" by the threat of retaliation. But if government cannot defend its people, the first reason for the very existence of government has gone.

This may be regarded as gross exaggeration. It certainly is not the picture the older generation still sees. But it is, increasingly, the reality. It is the situation to which we react. And the young people who are not, as we older ones are, influenced by the memories of our love affair with government, see the monstrosity of government, its disorganization, its lack of performance, and its impotence rather than the illusions the older generation still cherishes and still teaches in the classroom.

What government cannot do

Yet never before has strong, effective, truly performing government been needed more than it is in this dangerous world of ours. Never before has it been needed more than in our pluralist society. Never before has it been needed more than in the present-day world economy.

We need government as the central institution that expresses the common will and the common vision, and enables each organization to make its own best contribution to society and citizen while expressing common beliefs and common values. We need strong, effective governments in the international sphere so that we can make the sacrifices of sovereignty needed to give us working supranational institutions for world society and world economy. We cannot wait until we have new political theory or until we fully understand this pluralist society of ours. We will not recreate the beautiful "Prince Charming" of government, or the all-wise economist-king of Barbara Wooton's *To Plan or Not to Plan*. But we should be able to come up with a competent, middle-aged professional who does his work from nine to five and does it well—and who, at least, is respected as a "good provider," though the romance has long gone out of him. In the process, government may shed the megalomania that now obsesses it and learn how to confine itself to realistic goals.

Certain things are inherently difficult for government. Being by design a protective institution, it is not good at innovation. It cannot really abandon anything. The moment government undertakes anything, it becomes entrenched and permanent. Better administration will not alter this. Its inability to innovate is grounded in

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government's legitimate and necessary function as society's protective and conserving organ.

A government activity, a government installation, and government employment become immediately built into the political process itself. This holds true whether we talk of a declining industry—such as the nationalized British coal mines or the government-owned railroads of Europe and Japan. It holds equally true in Communist countries. No matter how bankrupt, for instance, the Stalinist economic policies have become in Czechoslovakia, Hungary, or Poland, any attempt to change them immediately runs into concern for the least productive industries, which, of course, always have the most, the lowest-paid and the least-skilled—and, therefore, the most "deserving"—workers.

The inability of government to abandon anything is not limited to the economic sphere. We have known for well over a decade, for instance, that the military draft that served the United States well in a total war is immoral and demoralizing in a "cold war" or "limited war" period. No one defends our present system—yet we extend it year after year on a "temporary" basis. The same inability to abandon applies to research projects supported by government. It holds true as soon as government supports the arts. Every beneficiary of a government program immediately becomes a "constituent." He immediately organizes himself for effective political action and for pressure on the decision-maker.

All institutions, of course, find it hard to abandon yesterday's tasks and to stop doing the unproductive. All of man's institutions —and for that matter, all men—are committed to what they are used to and reluctant to accept that it no longer needs doing or that it does not produce results. But government is under far greater pressure to cling to yesterday than any other institution. Indeed the typical response of government to the failure of an activity is to double its budget and staff.

Welfare, farms, and depressed areas

Nothing in history, for instance, can compare in futility with those prize activities of the American government, its welfare policies and its farm policies. Both policies are largely responsible for the disease they are supposed to cure. We have known this for quite some time—in the case of the farm program since before World War II, in the case of the welfare program certainly since 1950.

The problem of the urban poor is undoubtedly vast. No city in history has ever been able to absorb an influx of such magnitude as the American cities have had to absorb since the end of World War II. Wherever it happened in the past, there was the same collapse of family, community, and local government—in the cities of

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England in the late eighteenth century when the Irish came in; in the cities of North America around 1840, again with the coming of the Irish; in the cities of continental Europe later on, as for instance when the Czechs started to migrate in large numbers into the Vienna of the Hapsburgs in the closing years of the nineteenth century. The influx of almost 2 million rural Negroes and Puerto Ricans into New York City alone, in less than a fifteen-year period, exceeded any of these earlier migrations. It is unprecedented in the history of cities.

But we certainly could not have done worse if we had done nothing at all. In fact, the nineteenth-century cities that did nothing, did better. And so, these last twenty years, has São Paulo in Brazil, which, inundated by similar floods of rural, illiterate Negroes, fresh from serfdom, did nothing—and is in better shape than New York City.

Our welfare policies were not designed to meet this problem. They were perfectly rational—and quite effective—as measures for the temporary relief of competent people who were unemployed only because of the catastrophe of the Great Depression. Enacted in the mid-1930's, the relief policies had essentially finished their job by 1940. But being government programs, they could not be abandoned. Far too massive a bureaucracy had been built. The emotional investment in these programs and in their slogan had become far too great. They had become "symbols" of the "New Deal."

Small wonder, then, that we reached for them when the entirely different problems of the 1950's arose, that is, when the rural Negro moved into the core city in large numbers. And small wonder that these programs did not work, that instead they aggravated the problem and increased the helplessness, the dependence, the despair of the Negro masses. But all we could do when relief failed to relieve was to double the budget and to double the number of people engaged in filling out forms.

The farm program tells the same story. It was designed—also in the 1930's—to save the family farmer and to restore his economic and social health. Instead it has subsidized his replacement by large, heavily capitalized and highly productive "industrial farms." This may well be a more desirable result than the one the farm program was meant—and is still meant—to produce. But it was abysmal failure in terms of the program's announced objectives. Yet the program goes on, with an increased budget, and increasingly perverse consequences.

Lest this be read as a criticism of the American government, let me add that this experience knows no distinction of race, creed, or nationality. The depressed-areas policy in Great Britain dates back to the 1920's. In all that time it has not restored to economic health one single "depressed area." But it has effectively penalized

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the shift of labor to areas of higher productivity, higher wages, and better jobs. It thereby has slowed growth in the healthy regions. Yet whenever it is realized that the "depressed areas" are still depressed, the budget goes up.

Government and mismanagement

Government is a poor manager. It is, of necessity, concerned with procedure, just as it is also, of necessity, large and cumbersome. Government is properly conscious that it administers public funds and must account for every penny. It has no choice but to be "bureaucratic"—in the common usage of the term. Every government is, by definition, a "government of paper forms." This means inevitably high cost. For "control" of the last 10 per cent of any phenomenon always costs more than control of the first 90 per cent. If control tries to account for everything, it becomes prohibitively expensive. Yet this is what government is always expected to do. And the reason is not just "bureaucracy" and red tape; it is a much sounder one. A "little dishonesty" in government is a corrosive disease. It rapidly spreads to infect the whole body politic. Yet the temptation to dishonesty is always great. People of modest means and dependent on a salary handle very large public sums. People of modest position dispose of power and award contracts and privileges of tremendous importance to other people—construction jobs, radio channels, air routes, zoning laws, building codes, and so on. To fear corruption in government is not irrational. This means, however, that government "bureaucracy"—and its consequent high costs—cannot be eliminated. Any government that is not a "government of paper forms" degenerates rapidly into a mutual looting society.

The generation that was in love with the state, thirty and forty years ago, believed fondly that government would be economical. Eliminating the "profit motive" was thought to reduce costs. This was poor economics, to begin with. It is worse public administration. The politician's attention does not go to the 90 per cent of money and effort that is devoted to existing programs and activities. They are left to their own devices and to the tender mercies of mediocrity. Politics—rightly—is primarily concerned with "new programs." It is focused on crisis and problems and issues. It is not focused on doing a job. Politics, whatever the form of government, is not congenial to managerial organization and makes government defective in managerial performance.

We have built elaborate safeguards to protect the administrative structure within government against the political process. This is the purpose of every civil service. But although this protects the going machinery from the distortions and pressures of politics, it

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also protects the incumbents in the agencies from the demands of performance. Of course, we maintain officially that civil-service tenure is compatible with excellence. But if we had to choose, we would probably say that mediocrity in the civil service is a lesser evil than "politics." As far as the judiciary is concerned—where we first created "independence"—this is certainly true. How far it is true in administrative agencies is debatable. A good many people have come to believe that we need some way of rewarding performance and of penalizing nonperformance, even within civil service.

Still, the premium within government will be on not "rocking the boat" in existing agencies, that is on no innovation, no initiative, but rather on doing with proper procedures what has been done before. Within the political process attention will certainly not be paid to the on-going routine work, unless there is the publicized malfunction of a "scandal." As a result, management of the daily work of government will remain neglected. Or be considered a matter of following "procedure" and of filling out forms. By excelling as a manager, no one in politics will ever get to the top, unless at the same time he builds his own political machine, his own political following, his own faction.

We can—and must—greatly improve the efficiency of government. There is little reason these days to insist on "100 per cent audit," for instance. Modern sampling methods based on probability mathematics actually give us better control by inspecting a small percentage of the events. But we need something much more urgently: the clear definition of the results a policy is expected to produce, and the ruthless examination of results against these expectations. This, in turn, demands that we spell out in considerable detail what results are expected rather than content ourselves with promises and manifestos. In the last century, the Auditor General became a central organ of every government. We learned that we needed an independent agency to control the daily process of government and to make sure that money appropriated was spent for what it was intended for, and spent honestly. Now we may have to develop an independent government agency that compares the results of policies against expectations and that, independent of pressures from the executive as well as from the legislature, reports to the public any program that does not deliver.

We may even go further—though only a gross optimist would expect this today. We may build into government an automatic abandonment process. Instead of starting with the assumption that any program, any agency, and any activity is likely to be eternal, we might start out with the opposite assumption: that each is short-lived and temporary. We might, from the beginning, assume that it will come to an end within five or ten years unless specifically renewed. And we may discipline ourselves not to renew any pro-

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gram unless it has the results that it promised when first started. We may, let us hope, eventually build into government the capacity to appraise results and systematically to abandon yesterday's tasks.

Yet such measures will still not convert government into a "doer." They will not alter the main lesson of the last fifty years: *government is not a "doer."*

What government can be

The purpose of government is to make fundamental decisions, and to make them effectively. The purpose of government is to focus the political energies of society. It is to dramatize issues. It is to present fundamental choices. The purpose of government, in other words, is to govern. This, as we have learned in other institutions, is incompatible with "doing." Any attempt to combine government with "doing" on a large scale paralyzes the decision-making capacity.

There is reason today why soldiers, civil servants, and hospital administrators look to business management for concepts, principles, and practices. For business, during the last thirty years, has had to face, on a much smaller scale, the problem that government now faces: the incompatibility between "governing" and "doing." Business management learned that the two have to be separated, and that the top organ, the decision-maker, has to be detached from "doing." Otherwise he does not make decisions, and the "doing" does not get done either.

In business this goes by the name of "decentralization." The term is misleading. It implies a weakening of the central organ, the top management of a business. The true purpose of decentralization, however, is to make the center, the top management of business, strong and capable of performing the central, the top-management task. The purpose is to make it possible for top management to concentrate on decision-making and direction, to slough off the "doing" to operating managements, each with its own mission and goals, and with its own sphere of action and autonomy.

If this lesson were applied to government, the other institutions of society would then rightly become the "doers." "Decentralization" applied to government would not be just another form of "federalism" in which local rather than central government discharges the "doing" tasks. It would rather be a systematic policy of using the other, *the nongovernmental* institutions of the society—the hospital as well as the university, business as well as labor unions—for the actual "doing," i.e., for performance, operations, execution.

Such a policy might more properly be called "reprivatization." The tasks that flowed to government in the last century, because

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the family could not discharge them, would be turned over to the new, nongovernmental institutions that have sprung up and grown these last sixty to seventy years.

Reprivatization

Government would start out by asking the question: "How do these institutions work and what can they do?" It would then ask: "How can political and social objectives be formulated and organized in such a manner as to become opportunities for performance for these institutions?" It would also ask: "And what opportunities for accomplishment of political objectives do the abilities and capacities of these institutions offer to government?"

This would be a very different role for government from that it plays in traditional political theory. In all our theories government is *the* institution. If "reprivatization" were to be applied, however, government would become *one* institution—albeit the central, the top, institution.

Reprivatization would give us a different society from any our *social* theories now assume. In these theories, government does not exist. It is outside of society. Under reprivatization, government would become the central social institution. Political theory and social theory, for the last two hundred and fifty years, have been separate. If we applied to government and to society what we have learned about organization these last fifty years, the two would again come together. The nongovernmental institutions—university, business, and hospital, for instance—would be seen as organs for the accomplishment of results. Government would be seen as society's resource for the determination of major objectives, and as the "conductor" of social diversity.

I have deliberately used the term "conductor." It might not be too fanciful to compare the situation today with the development of music 200 years ago. The dominant musical figure of the early eighteenth century was the great organ virtuoso, especially in the Protestant North. In organ music, as a Buxtehude or a Bach practiced it, one instrument with one performer expressed the total range of music. But as a result, it required almost superhuman virtuosity to be a musician.

By the end of the century, the organ virtuoso had disappeared. In his place was the modern orchestra. There, each instrument played only one part, and a conductor up front pulled together all these diverse and divergent instruments into one score and one performance. As a result, what had seemed to be absolute limits to music suddenly disappeared. Even the small orchestra of Haydn could express a musical range far beyond the reach of the greatest organ virtuoso of a generation earlier.

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The conductor himself does not play an instrument. He need not even know how to play an instrument. His job is to know the capacity of each instrument and to evoke optimal performance from each. Instead of "performing," he "conducts." Instead of "doing," he leads.

The next major development in politics, and the one needed to make this middle-aged failure—our tired, overextended, flabby, and impotent government—effective again, might therefore be the reprivatization of the "doing," of the performance of society's tasks. This need not mean "return to private ownership." Indeed what is going on in the Communist satellite countries of Eastern Europe today—especially in Yugoslavia—is reprivatization in which ownership is not involved at all. Instead, autonomous businesses depend on the market for the sale of goods, the supply of labor, and even the supply of capital. That their "ownership" is in the hands of the government is a legal rather than an economic fact—though, of course, an important one. Yet to some Yugoslavs it does not even appear to be incompatible with that ultra-bourgeois institution, a stock exchange.

What matters, in other words, is that institutions not be run by government, but be autonomous. Cooperatives, for instance, are not considered "capitalist" in the Anglo-American countries, although they are "private" in that they are not run by government. And the same applies to "private" hospitals and the "private" universities. On the other hand, the German university has traditionally been almost as autonomous as the American "private" university, even though—as is the case with European universities generally—it is a state institution.

Reprivatization, therefore, may create social structures that are strikingly similar, though the laws in respect to ownership differ greatly from one country to another and from one institution to another. *What they would have in common is a principle of performance rather than a principle of authority.* In all of them the autonomous institution created for the performance of a major social task would be the "doer." Government would become increasingly the decision-maker, the vision-maker. It would try to figure out how to structure a given political objective so as to make it attractive to one of the autonomous institutions. It would, in other words, be the "conductor" that tries to think through what each instrument is best designed to do. And just as we praise a composer for his ability to write "playable" music, which best uses the specific performance characteristic of French horn, violin, or flute, we may come to praise the lawmaker who best structures a particular task so as to make it most congenial for this one or that of the autonomous, self-governing, private institutions of a pluralist society.

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The special role of business

Business is likely to be only one—but a very important—institution in such a structure. Whether it be owned by the capitalist, that is, by the investor, or by a cooperative or a government might even become a secondary consideration. For even if owned by government, it would have to be independent of government and autonomous—as the Yugoslavs show—not only in its day-to-day management, but, perhaps more important, in its position in the market, and especially in a competitive capital market.

What makes business particularly appropriate for reprivatization is that it is predominantly an organ of innovation; of all social institutions, it is the only one created for the express purpose of making and managing change. All other institutions were originally created to prevent, or at least to slow down, change. They become innovators only by necessity and most reluctantly.

Specifically, business has two advantages where government has major weaknesses. Business can abandon an activity. Indeed it is forced to do so if it operates in a market—and even more, if it depends on a market for its supply of capital. There is a limit beyond which even the most stubborn businessmen cannot argue with the market test, no matter how rich he may be himself. Even Henry Ford had to abandon the Model T when it no longer could be sold. Even his grandson had to abandon the Edsel.

What is more: Of all our institutions, *business is the only one that society will permit to disappear.* It takes a major catastrophe, a war or a great revolution, to allow the disappearance of a university or of a hospital, no matter how superfluous and unproductive they might have become. Again and again, for instance, the Catholic Church in the United States attempts to close down hospitals that have ceased to be useful. In almost every case, a storm of community nostalgia forces the supposedly absolute bishop to retract his decision.

But when the best-known airplane manufacturer in the United States, the Douglas Company, designer and producer of the DC3 was in difficulty in 1967, neither the American public nor American government rushed to its rescue. If a competitor had not bought the company and merged it into his operations, we would have accepted the disappearance of Douglas—with regret, to be sure, and with a good deal of nostalgic rhetoric, but also with the feeling: "It's their own fault, after all."

Precisely because business can make a profit, it *must* run the risk of loss. This risk, in turn, goes back to the second strength of business: alone among all institutions it has a test of performance. No matter how inadequate profitability may be as an indicator, in

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certain respects, it is a test for all to see. One can argue that this or that obsolete hospital is really needed in the community or that it will one day again be needed. One can argue that even the poorest university is better than none. The alumni or the community always have a "moral duty" to save "dear old Siwash." The consumer, however, is unsentimental. It leaves him singularly unmoved to be told that he has a duty to buy the products of a company because it has been around a long time. The consumer always asks: "And what will the product do for me tomorrow?" If his answer is "nothing," he will see its manufacturer disappear without the slightest regret. And so does the investor.

This is the strength of business as in institution. It is the best reason for keeping it in private ownership. The argument that the capitalist should not be allowed to make profits is a popular one. But the real role of the capitalist is to be expendable. His role is to take risks and to take losses as a result. This role the private investor is much better equipped to discharge than the public one. We want privately owned business precisely because we want institutions that can go bankrupt and can disappear. We want at least one institution that, from the beginning, is adapted to change, one institution that has to prove its right to survival again and again.

If we want a really strong and effective government, therefore, we should want businesses that are not owned by government. We should want businesses in which private investors, motivated by their own self-interest and deciding on the basis of their own best judgment, take the risk of failure. The strongest argument for "private enterprise" is not the function of profit. The strongest argument is the function of loss. Because of it, business is the most adaptable, and the most flexible of the institutions around. Therefore, it is the one best equipped to manage.

International reprivatization

Reprivatization is still heretical doctrine. But it is no longer heretical practice. Reprivatization is hardly a creed of "fat cat millionaires" when Black Power advocates seriously propose making education in the slums "competitive" by turning it over to private enterprise, competing for the tax dollar on the basis of proven performance in teaching ghetto children. It may be argued that the problems of the Black Ghetto in the American city are very peculiar problems—and so they are. They are extreme malfunctions of modern government. But if reprivatization works in the extreme case, it is likely to work even better in less desperate ones.

One instance of reprivatization in the international sphere is the World Bank. Though founded by governments, it is autonomous. It finances itself directly through selling its own securities on the

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capital market. The International Monetary Fund, too, is a case of reprivatization. Indeed, if we develop the money and credit system we need for the world economy, we will have effectively reprivatized the creation and management of money and credit that for millennia have been considered the prime attributes of sovereignty.

Again, business is well equipped to become the "doer" in the international sphere. The multinational corporation, for instance, is our best organ for rapid social and economic development. In the Communications Satellite Corporation (COMSAT) we are organizing world-wide communications (another traditional prerogative of the sovereign) as a multinational corporation. A socialist government, the Labour government of Britain, has used reprivatization to bring cheap energy to Britain—in contracts with the multinational oil companies for the exploration and development of the natural gas fields under the North Atlantic Ocean. And the multinational corporation may be the only institution equipped to get performance where the fragmentation into tribal splinter units, such as in the "mini-states" of Equatorial Africa, makes performance by government impossible.

But domestically as well as internationally, business is, of course, only one institution and equipped to do only one task, the economic one. Indeed it is important to confine business—and every other institution—to its own task. Reprivatization will, therefore, entail using other nongovernmental institutions—the hospital, for instance, or the university—for other, noneconomic "doing" tasks. Indeed, the design of new nongovernmental, autonomous institutions as agents of social performance under reprivatization may well become a central job for tomorrow's political architects.

Toward a new politics

We do not face a "withering away of the state." On the contrary, we need a vigorous, a strong, and a very active government. But we do face a choice between big but impotent government and a government that is strong because it confines itself to decision and direction and leaves the "doing" to others. We do not face a "return of laissez-faire" in which the economy is left alone. The economic sphere cannot and will not be considered to lie outside the public domain. But the choices of economy—as well as for all other sectors—are no longer *either* complete governmental indifference or complete governmental control. In all major areas, we have a new choice: an organic diversity in which institutions are used to do what they are best equipped to do. In this society all sectors are "affected with the public interest," whereas in each sector a specific institution, under its own management and dedicated to its own job, emerges as the organ of action and performance.

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This is a difficult and complex structure. Such symbiosis between institutions can work only if each disciplines itself to strict concentration on its own sphere and to strict respect for the integrity of the other institutions. Each, to use again the analogy of the orchestra, must be content to play its own part. This will come hardest to government, especially after the last fifty years in which it had been encouraged in the belief of the eighteenth-century organ virtuosos that it could—and should—play all parts simultaneously. But every institution will have to learn the same lesson.

Reprivatization will not weaken government. Indeed, its main purpose is to restore strength to sick government. We cannot go much further along the road on which government has been traveling these last fifty years. All we can get this way is more bureaucracy but not more performance. We can impose higher taxes, but we cannot get dedication, support, and faith on the part of the public. Government can gain greater girth and more weight, but it cannot gain strength or intelligence. All that can happen, if we keep on going the way we have been going, is a worsening sickness of government and growing disenchantment with it. And this is the prescription for tyranny, that is, for a government organized against its own society.

This can happen. It has happened often enough in history. But in a society of pluralist institutions it is not likely to be effective too long. The Communists tried it, and after fifty years have shown —though they have not yet fully learned—that the structure of modern society and its tasks are incompatible with monolithic government. Monolithic government requires absolute dictatorship, which no one has ever been able to prolong much beyond the lifetime of any one dictator.

Ultimately we will need new political theory and probably very new constitutional law. We will need new concepts and new social theory. Whether we will get these and what they will look like, we cannot know today. But we can know that we are disenchanted with government—primarily because it does not perform. We can say that we need, in a pluralist society, a government that can and does govern. This is not a government that "does"; it is not a government that "administers"; it is a government that governs.

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God and the Mafia

GORDON HAWKINS

A PERPLEXING and elusive problem confronts the student seeking information about organized crime. It concerns the concept "organized crime" itself. For a curious feature characterizes almost all the literature on the subject, up to and including the Task Force Report on this topic published in 1967 by the President's Commission on Law Enforcement and Administration of Justice. This is that a large proportion of what has been written seems not to be dealing with an empirical matter at all. It is almost as though what is referred to as organized crime belonged to the realm of metaphysics or theology.

Indeed the analogy with theology is quite striking. Nor is it merely a matter of occasional similarities or likenesses, but rather of a systematic resemblance recurring in a wide variety of different sources. The parallelism is so pervasive that it is difficult to dismiss it as altogether fortuitous. But before considering its significance it may be well to illustrate it.

Take first the question of the existence of organized crime, a matter about which, like the existence of God, doubts have been expressed. On this subject Estes Kefauver, in his *Crime in America*, which is based on testimony taken at the hearings before, and upon reports of, the Senate Crime Committee between 1950 and 1951, writes as follows:

> A nationwide crime syndicate does exist in the United States of America, despite the protestations of a strangely assorted company of

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> criminals, self-serving politicians, plain blind fools, and others who may be honestly misguided, that there is no such combine. . . . The national crime syndicate as it exists today is an elusive and furtive but nonetheless tangible thing. Its organization and machinations are not always easy to pinpoint. . . . However, by patient digging and by putting together little pieces of a huge and widely scattered puzzle, the picture emerges. . . . Behind the local mobs which make up the national crime syndicate is a shadowy, international criminal organization known as the Mafia, so fantastic that most Americans find it hard to believe it really exists.

Now, apart from the bizarre nature of its content, one of the most remarkable facts about this quite categorical statement, which occurs in the first chapter of Kefauver's book, is that the evidence necessary to substantiate it is never produced. Indeed Daniel Bell in his *The End of Ideology* comments as follows:

> Unfortunately for a good story—and the existence of the Mafia would be a whale of a story—neither the Senate Crime Committee in its testimony, nor Kefauver in his book, presented any real evidence that the Mafia exists as a functioning organization. One finds public officials asserting before the Kefauver committee their *belief* in the Mafia; the Narcotic Bureau *thinks* that a world-wide dope ring allegedly run by Luciano is part of the Mafia: but the only other "evidence" presented—aside from the incredulous responses both of Senator Kefauver and Rudolph Halley when nearly all the Italian gangsters asserted that they didn't know about the Mafia—is that certain crimes bear "the earmarks of the Mafia." (Author's italics.)

Others have been equally skeptical. Thus, Burton B. Turkus, in *Murder Incorporated*, writing at the time when the Senate Crime Investigating Committee was publishing its findings, said:

> If one such unit had all crime in this country under its power, is it not reasonable to assume that somewhere along the line, some law agency—federal, state, county or municipal—would have tripped it up long before this? No single man or group ever was so clever, so completely genius, as to foil all of them forever. . . . In fact, as a factor of power in national crime, Mafia has been virtually extinct for two decades.

Gus Tyler, editor of *Organized Crime in America*, prefaces the section devoted to the Mafia with an essay in which he says that the Mafia "whose existence is assumed by some government agencies" is "a still unproven fact." He adds, however, that "while the existence of the Mafia is still legally conjectural, theories of its existence cannot be ignored."

But the "theories of its existence" prove on examination to consist of little more than a series of dogmatic assertions. Thus, the Final Report of the California Special Crime Study Commission

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on Organized Crime (1953) speaks of The Mafia, which it says is "now known as L'Unione Siciliana," as "the most sinister and powerful criminal organization in the world (with) headquarters on at least two continents." But after giving a somewhat desultory account of a variety of "illegal enterprises," and making further reference to "a criminal organization extending all over the world," the report falls back on the argument that "The study of these crimes over the years shows a definite pattern, the repetition of which in case after case cannot be laid to coincidence." This incidentally bears an extraordinary resemblance to one of the best known arguments for the existence of God: that is "the argument from design" in the form in which it was used by the eighteenth- and nineteenth-century rationalist theologians. But it is neither probative nor particularly persuasive.

Divine attributes

Another respect in which assertions about the existence of organized crime in general, and a Mafia in particular, resemble statements about the existence of God is that in neither case is it clear what would be regarded as constituting significant counterevidence. Thus, in the Third Interim Report of the Special Committee to Investigate Organized Crime in Interstate Commerce (i.e., the Senate Crime Committee, or the Kefauver Committee), it is said that "Almost all the witnesses who appeared before the committee and who were suspected of Mafia membership, either denied that they had ever heard of the Mafia, which is patently absurd, or denied membership in the Mafia."

The only exception to this which stood up under cross examination was a witness who said "that the Mafia was freely discussed in his home when he was a child." It is not at all clear what the significance of this childhood reminiscence is supposed to be. What is perfectly clear however is that *whatever* witnesses had said would have been construed as evidence *for* the existence of Mafia. Acknowledgment of membership in, or awareness of the existence of a Mafia would have been accepted at face value. Denials, on the other hand, merely demonstrate that the Mafia "is a rare 'secret' society whose existence is truly secret"; secrecy being enforced by "Mafia killings" that themselves "are surrounded with the secrecy that has proved to be most difficult to penetrate."

But even when organized crime is not identified with a Mafia it is still referred to in terms that imply divine attributes, such as invisibility, immateriality, eternity, omnipresence, and omnipotence. Thus, in the President's Commission Task Force Report on Organized Crime, it is said that "organized crime affects the lives of millions of Americans, but . . . preserves its *invisibility*." Again,

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organized crime is said to have its own discipline, but "the laws and regulations they obey, the procedures they use, are private and secret ones that they devise themselves, change when they see fit, and administer summarily and *invisibly.*" Moreover, "Agents and employees . . . cannot implicate the highest level figures, since frequently they have neither spoken to *nor even seen them.*" Another Task Force Report, "Assessment of Crime," states that "Organized crime thrives on *invisibility.* . . . No one knows whether it is getting bigger or smaller. . . ." And F. J. Cook, in *The Secret Rulers*, speaks of "a secret organization, an *invisible* government of crime." (My italics.)

As for immateriality, we are also told by the President's Commission:

> But to discuss the impact of organized crime in terms of whatever direct, personal, everyday effect it has on individuals is to miss most of the point. Most individuals are not affected in this sense, very much. . . . Sometimes organized crime's activities do not directly affect individuals at all.

And one writer, "the former attorney for an illicit New York organization," is quoted as speaking in mystical terms of "a mysterious, all pervasive reality."

The Task Force Report also emphasizes the perpetually enduring nature of organized crime. "[O]rganized crime maintains a coherent, efficient organization with a *permanency of form that survives changes* in working and leadership personnel." And Gus Tyler, in an article on "The Roots of Organized Crime," speaks of ". . . its *eternal life* . . . an institutional longevity extending far beyond the natural life span of its more mortal leadership." (My italics in both cases.)

With regard to omnipresence and omnipotence, Robert F. Kennedy said that "The insidious influence of organized crime can reach into almost every facet of our life, corrupting and undermining our society." The Task Force Report goes further and states that "Organized criminal groups are known to operate in all sections of the Nation." Professor D. R. Cressey writing of "the American confederation of criminals," in his paper on "The Functions and Structure of Criminal Syndicates," which is printed as an appendix to the Task Force Report, says that "while organized criminals do not yet have control of all the legitimate economic and political activities in any metropolitan or other geographic area of America," they have started "to undermine basic economic and political traditions."

As with the Deity, moreover, direct knowledge of this phenomenon is apparently not vouchsafed to us. "While law-enforcement officials now have detailed information about the criminal activities of individual men," Professor Cressey writes, "knowledge of the structure of their confederation remains fragmentary and impres-

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sionistic." He goes on to say that "Our knowledge of the structure that makes 'organized crime' organized is somewhat comparable to the knowledge of Standard Oil that could be gleaned from interviews with gasoline station attendants." But there is nothing tentative about his explicit statement that "in the United States, criminals have managed to organize a nationwide illicit cartel and confederation." And in a lengthy chapter beginning, "The structure of the nationwide cartel and confederation which today operates the principal illicit businesses in America, and which is now striking at the foundations of legitimate business and government as well came into being in 1931," sufficient baroque detail is provided to suggest that interviews with gasoline station attendants may not be totally uninformative for those with ears to hear.

The code of the underworld

Yet, as Professor Cressey acknowledges, "some officials, and some plain citizens, remain unconvinced." And, although he regards skepticism as "misplaced," he does not, like Senator Kefauver, define unbelievers as criminals, self-servers, blind fools, and so on. This is, in the circumstances, prudent. For when only "fragmentary and impressionistic" data about an "elusive and furtive" phenomenon are available for judgment, it is unwise to assume that doubt must be disingenuous or perverse.

Thus, as an instance of the sort of thing that might occasion doubt on the part of a plain citizen, consider the tenets of the code that Professor Cressey says "form the foundation of the legal order of the confederation." He states frankly that he was "unable to locate even a summary statement of the code" and that his statement of it is based only on "the snippets of information we have been able to obtain." Yet, on this presumably exiguous basis, he constructs a code that, in regard to form and content, compares favorably with more easily accessible examples of such systems of general rules regarding conduct.

The sinister underworld code that "gives the leaders exploitative authoritarian power over everyone in the organization," reads like the product of collaboration between Rudyard Kipling and Emily Post. Most of it would not appear incongruous if embroidered on a sampler. Organized criminals are enjoined to "be loyal members of the organization," to "be a member of the team," to "be independent," and yet not to "rock the boat." At the same time, they are told to "be a man of honor" and to "respect womanhood and your elders."

The organized criminal "is to be cool and calm at all times"; "is not to use narcotics . . . not to be drunk on duty . . . not to get into fights. . . ." "He does not whine or complain in the face of adversity."

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"The world seen by organized criminals is a world of graft, fraud, and corruption, and they are concerned with their own honesty and manliness as compared with the hypocrisy of corrupt policemen and corrupt political figures."

In a world of corrupt police and politicians, it must be difficult to preserve these standards. But Professor Cressey explains that, by a "process of recruitment and indoctrination," the leaders of organized crime "have some degree of success" in inculcating "a sense of decency and morality—a sense of honor—so deep that there will be absolute obedience." It is no surprise when we are told that Mr. Vito Genovese, who is said to have been, in 1957, leader of the "All-American 'Commission' " which is "the highest ruling body in the confederation," was "invested with charismatic qualities by his followers. He was almost revered, while at the same time being feared, *like an Old Testament divine. Even his name had a somewhat sacred quality. . . .*"

The truth is that this sounds very much like what Gus Tyler calls "the fantasy of the Mafia," and Daniel Bell refers to as the "myth of an omnipotent Mafia" all over again. Indeed, Professor Bell, in a subsequent article entitled, "The Myth of Cosa Nostra" (*The New Leader*, 1963), seems to have been one of the few persons to have remained unpersuaded by the later evidence that we shall examine critically in some detail. For others, however, the same sparsity of data supports an equally grandiose inferential superstructure. "Since we know so little," Professor Cressey says, "it is easy to make the assumption that there is nothing to know anything about." But the scarcity of "hard facts" does not appear to constrict him unduly. And although some of what he says sounds plausible in a nonderogatory sense, when it comes to the question of the *existence* of "the American confederation of criminals" he uses a form of argument that comes close to what one might call logical legerdemain.

The argument is worth examining briefly. Under the heading, "The Structural Skeleton," Professor Cressey provides an outline of the "authority structure" or " 'organizational chart' of the American confederation." Twenty-four criminal "families," each with its "boss," are said to operate under the "commission" that "serves as a combination board of business directors, legislature, supreme court and arbitration board." After giving some details of "the formal structure of the organization," Professor Cressey deals briefly with street-level operations and more informal functions. He then concludes briskly:

> [T] he skeleton has more bones than those we have described, as our discussion of informal positions and roles indicates. *The structure outlined is sufficient to demonstrate, however, that a confederation of "families" exists.* (My italics.)

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It scarcely seems necessary to point out that if "to demonstrate" here means "to prove by reasoning" or "to establish as true," the existence of the confederation cannot be said to have been demonstrated.

It may be said here, parenthetically, that the details of criminal hierarchies given by Professor Cressey and others in the literature on organized crime are curiously reminiscent of the details of celestial hierarchies to be found in the literature of angelology. Both the "Lord of Hosts" and the "Boss of all Bosses" stand at the apex of a pyramidal structure. Just as the "Lord of Hosts" is attended by superior orders of angelic being like Archangels and Seraphim, so the "Boss of all Bosses" has his attendant Counsellor (or Consigliere) and Underbosses (or Sottocapi). The Cherubim and ordinary angels are paralleled by the Lieutenants (Caporegime) and Soldiers, lower-echelon personnel who, like the lower orders of angels, may have particular missions as agents, messengers, guards, and enforcers. Possibly in the light of this analogy, Professor Cressey's description of Vito Genovese, sometime "Boss of all Bosses," as "like an Old Testament divine" may not seem altogether incongruous.

But we come now to what must in this context and in the present state of knowledge be crucial questions. The first of these concerns what may be called the mythopeic factors that operate in this field. For it is important to recognize that, quite apart from the evidence available, the notion that behind the diverse phenomena of crime there exists a single mysterious omnipotent organization that is responsible for much of it, is one that has long exerted a powerful influence on the minds not only of journalists, but also of law enforcement agents and serious students of crime. The second question which we have to ask is, leaving aside nonevidential and irrational considerations, what kinds of evidence may be regarded as providing a means of ascertaining the truth in this matter; and further what sorts of argument may be adduced as, if not being fully probative, at least having a significant bearing on the question at issue.

Folklore and myth

With regard to the first question, it is evident that there is a considerable *folklore* relating to organized crime. Much of the literature on the subject consists of myths and folktales. The point is made in Earl Johnson's article, "Organized Crime: Challenge to the American Legal System" that:

> America has a new folklore. This folklore has grown up around—organized crime. Next to Westerns, war and sex, it is probably the chief source of material for TV plots, books—both fiction and non-fiction—

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> and newspaper exposés. The names of "Scarface" Al Capone, Frank "The Enforcer" Nitti, Tony Accardo, Frank Costello, and "Lucky" Luciano have become as familiar to most present-day Americans as Pocohantas, Jesse James, "Wild" Bill Hickock, Paul Bunyan, or Nathan Hale.

The significance of this development has nowhere been fully analyzed, but in the light of the functionalist interpretation of myth made by anthropologists, it would be unwise to dismiss it as of little account. Bronislaw Malinowski, for example, holds that "Myth fulfills in primitive culture an indispensable function: it expresses, enhances and codifies belief; it safeguards and enforces morality; . . ." Nor, is this something confined to primitive cultures, although the character of the myths will obviously be different in different cultures. In regard to our own society, Ruth Benedict has pointed out that

> the fundamental opposition of good and evil is a trait of occidental folklore that is expressed equally in Grimms' fairy tales and in the *Arabian Nights*. . . . It determines some of the most deeply seated world views of western religions and western civilizations. The opposition of God and the devil, of Christ and Antichrist, of heaven and hell, is part of the fundamental intellectual equipment of those who participate in these civilizations.

It is probable that a large part of the appeal of such television series as "The Untouchables," "Target: The Corrupters," and "The F.B.I.," to mention only three, is that they dramatize the struggle against organized crime in terms of this fundamental myth. In this, too, it seems likely lies some of the appeal of televised and reported congressional investigations, newspaper accounts of "crusades" against organized crime, and a vast literature dealing with law enforcement efforts against it.

Another function of mythology, however, is that it provides an *explanation,* in that it helps to introduce some intelligible order into the bewildering diversity of phenomena surrounding us. Thus, Ruth Benedict says that "Man in all his mythologies has expressed his discomfort at a mechanistic universe and his pleasure in substituting a world that is humanly motivated and directed." But all myths are not of a cosmic character, and discomfort can be induced just as much by an apparently formless and unstructured field of experience as by the theory that all natural processes are mechanically determined. Whenever alarm and uneasiness are induced by an apparently chaotic upsurge of crime and lawlessness, or whenever explanation in terms of anonymous and intangible "social forces" is found unsatisfying, it is likely that the attribution of responsibility to a group of identifiable human agents for a large proportion of the disturbing happenings could be both intellectually and emotionally reassuring.

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Yet, something more than a demand for simplicity and order is involved. In this connection, the way in which anger and distress lead to a demand for the identification of a responsible individual or group, which is brought out by Professor Allport in his discussion of the psychological process of "scapegoating," is directly relevant to our discussion. "The common use of the orphaned pronoun 'they,'" says Allport, "teaches us that people often want and need to designate out-groups—usually for the purpose of venting hostility. . . ." And Daniel Bell attributes part of the attractiveness of the

> theory of a Mafia and national crime syndicate to the fact that there is in the American temper, a feeling that "somewhere," "somebody" is pulling all the complicated strings to which this jumbled world dances. In politics the labor image is "Wall Street" or "Big Business"; while the business stereotype was the "New Dealers."

In the field of crime, the national crime syndicate provides a specific focus or target for fear and discontent.

There is, of course, nothing exclusively or peculiarly American about this process. The popularity of "conspiracy" theories throughout history reflects a general human tendency. The objectification and institutionalization of fear reactions is not a native American development. Yet, as Richard Hofstadter demonstrates in his brilliant essay on "The Paranoid Style in American Politics," American history is singularly rich in examples of "conspiratorial fantasy." It is true that Hofstadter says, "the paranoid style is an international phenomenon." But he also admits that "it can be argued . . . that certain features of our history have given the paranoid style more scope and force among us than it has had in many other countries of the Western world." It is relevant to note here that, in describing "the basic elements in the paranoid style," Hofstadter says that "the central image is that of a vast and sinister conspiracy, a gigantic and yet subtle machinery of influence set in motion to undermine and destroy a way of life."

Yet, so much having been said about irrational factors that may be regarded as conducive to the acceptance of the notion of an all-powerful syndicate that dominates American crime, it remains true that the validity of an idea and the reasons for its popularity may be quite independent of one another. And this brings us to the second step in this analysis which concerns the problem of defining an objective approach to the question whether an All-American criminal cartel and confederation exists.

What is "organized crime"?

When the existence of some social phenomenon or complex of phenomena is asserted, it is reasonable to ask, "What difference does

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it make?" For, however elusive and invisible and impalpable a social phenomenon may be, the assertion that it exists must, if it is to be regarded as significant, imply the occurrence of some concrete conditions, some specific actions, events, or series of events present in our society that constitute evidence for it. Otherwise, one is entitled, in the present context, to ask a question, analogous to the sort of question posed by skeptics in theological discussions: How does this elusive, invisible, impalpable organization differ from an imaginary organization or from no organization at all? What would count as evidence *against* the assertion that an All-American crime syndicate exists? What would constitute disproof of, or be regarded as sufficient reason for withdrawing, that assertion? Is there anything that might conceivably count against it and, if so, what?

At this point, it is necessary to define the question at issue a little more precisely than has been done so far. In the first place, there is no doubt that small groups of criminals organized for carrying out particular kinds of crime have existed for centuries. In their textbook on criminology, Sutherland and Cressey point out that such groups operated in the Elizabethan period and "have been described in some detail." They also point out that "similar groups exist today for purposes of bank burglary, shoplifting, confidence games, picking pockets and stealing automobiles." Organized crime at this level, it is said,

> involves association of a small group of criminals for the execution of a certain type of crime, together with the development of plans by which detection may be avoided, and the development of a fund of money and political connections by means of which immunity or relative immunity may be secured in case of detection.

It is only necessary to say that, about the existence of organized crime in this sense, there is general agreement.

It should be clear, however, that the concept of organized crime with which we are dealing here relates to something of different character from that just described. We are here concerned with what Sutherland and Cressey call the "organization of the vices." In this connection, they say:

> The most widespread organization of lawlessness is in connection with the vices. Relatively few people demand that burglars, pickpockets and confidence men engage in crime, but many persons demand opportunities for illicit sexual intercourse, gambling and consumption of narcotics. . . . This provides a basis for extensive organization which involves the places of vice, the patrons, the real estate dealers, the manufacturers of commodities used in the vices, the police and courts, the politicians, and sometimes a much wider public.

Here, too, there would be little dispute. Moreover, in the field of what we may call "service" crime, involving the supply of con-

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sumer goods and services for which there is a widespread demand, it would be surprising if there did not develop, as in legitimate business, what Professor Schelling refers to as "large-scale continuing firms with the internal organization of a large enterprise, and with a conscious effort to control the market."

The question we are considering, however, is whether in addition to such "large-scale continuing firms" located in various parts of the country, there is a national syndicate that dominates organized crime throughout the country—one large nationwide criminal organization that controls the majority, if not all, of the local undertakings. For the concept of organized crime that was presented in the evidence given by Attorney General Robert F. Kennedy before the Permanent Subcommittee on Investigations of the Committee on Government Operations (McClellan Committee) in 1963 involves

> a private government of organized crime, a government with an annual income of billions—run by a commission (which) makes major policy decisions for the organization, settles disputes among the families and allocates territories of criminal operation within the organizations.

Enter Valachi

Clearly a crucial question in this context concerns the evidence on which the Attorney General based his contention that such a government and such an organization existed. The nature of that evidence became clear as the McClellan Committee Hearings proceeded. For, at those Hearings, as Senator McClellan himself put it: "For the first time a member of the secret underworld government, Cosa Nostra, testified under oath describing the operations of that criminal organization, and the misguided and dedicated loyalty of its members." The witness referred to was Joseph Valachi, a sixty-year-old man with a long criminal record, at that time serving a life sentence for murder and a twenty-year sentence for a narcotics offense.

Of the significance attached to Valachi's evidence there seems to be no doubt. The Attorney General described his disclosures as "the biggest intelligence breakthrough yet in combating organized crime and racketeering in the United States." William George Hundley, head of the Justice Department's Organized Crime Section, was even more revealing. He said:

> Before Valachi came along *we had no tangible evidence that anything like this actually existed.* He's the first to talk openly and specifically about the organization. In the past we've heard that so-and-so was a "syndicate man" and that was all. Frankly I always thought it was a lot of hogwash. But Valachi named names. He showed us what the structure is and how it operates. . . . (My italics.)

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It becomes necessary therefore to examine Valachi's testimony critically. In this connection, it has to be remembered that, prior to his giving evidence, Valachi, who had the year before (June 1962) murdered a fellow prisoner, was, according to his own statements, in fear of his life. He claimed that his former criminal associates intended to kill him. His feelings for them were no less inimical. When asked why he had decided to cooperate with the Department of Justice, he replied: "The main answer to that is very simple. Number one: It is to destroy them." With such an objective in view, the witness could not be regarded as totally disinterested. Moreover, on his own evidence, he clearly did not regard veracity as always obligatory when speaking to law enforcement agencies.

In the circumstances, it is understandable that Senator McClellan attached importance to securing some corroboration for Valachi's testimony. Thus, in opening the Hearings, he said: "We believe a substantial part of his testimony can and will be corroborated." And, in closing them, he said: "The corroboration furnished by law enforcement officers makes Valachi's testimony more credible and important."

We may ask therefore how far that verdict is borne out. For in such a case as this, the corroborative process assumes unusual significance.

Cosa Nostra or Mafia?

Let us take first a point of detail that has already attracted some comment. What was the name of the organization about which Valachi testified? According to Valachi, it was "Cosa Nostra." He was asked if the organization was "anything like the Mafia, or is it part of the Mafia, or is it the Mafia?" He replied:

> Senator, as long as I belong to this Cosa Nostra, all I can tell you is that they never express it as a Mafia. When I was speaking, I just spoke what I knew. . . . I know this thing existed a long time, but in my time I have been with this Cosa Nostra and that is the way it was called. . . .

On this, F. J. Cook, in his *The Secret Rulers*, comments that:

> there is a consensus among the nation's best investigators, men with the most intimate knowledge of the underworld and its rackets that they had never heard the name before Valachi used it. . . . This has cast some doubt upon the validity of Valachi's story.

It is not a doubt that troubles Mr. Cook however. "Regardless of name," he says, "the vital fact remains: the criminal organization exists. . . . The name itself is secondary. What matters is the reality of a secret organization, an invisible government of crime. . . ." Yet for those more skeptical than Mr. Cook, and concerned about the *corroboration* of Valachi's testimony, it is not a matter that can be

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passed over so lightly. For the fact is that on this point Valachi's evidence was *never* corroborated, although a large number of expert witnesses were examined on this subject. "It is a name I am not familiar with," said New York City Police Commissioner Michael J. Murphy. "I have never heard of such a name; no sir," said Rhode Island State Police Superintendent Col. Walter E. Stone. "Not by the name 'Cosa Nostra,'" said Boston Police Commissioner Edmund L. McNamara. ". . . We in Detroit apply the name 'Mafia,'" said George C. Edwards, Detroit City Police Commissioner. Nor were any of the Italian-speaking experts on organized crime who testified more forthcoming on this point.

Senator McClellan took the view that "whether he calls it Cosa Nostra or the Mafia makes no difference." Commissioner Edwards of Detroit said, "The last thing I am interested in doing is debating nomenclature." Yet it is doubtful whether so cavalier an approach to the evidence can be justified in this case. For, apart from the state and local police forces, according to the Attorney General, "over 25 various investigative bodies of the Federal Government" were pooling their information "in the organized crime section." It seems a little surprising that out of all those who appeared before the commission not one person was found to confirm Valachi's evidence on this matter.

Initiation rites

But if the question of nomenclature is regarded as of no great significance, there are what may be seen as more substantial matters about which the state of the evidence is equally unsatisfactory. Take, for example, the question of initiation rites, about which a great deal has been written in the literature. The Attorney General told the McClellan Commission: "They literally take an oath and they have the bloodletting. I think it will be described to you before the committee, but those who are members of this organization, take the oath."

When he testified on this, Valachi described a ceremony at which thirty-five or forty persons were present in the course of which he took an oath ("I repeated some words they told me, but I couldn't explain what he meant."); burnt a piece of paper ("Well then he gave me a piece of paper, and I was to burn it."); had his finger pricked ("With a needle and he makes a little blood come out."); and repeated some more words ("I never asked what it meant.").

Now the purpose of this meeting, according to Valachi, was "to make new members and *to meet all of them.*" Yet later, when questioned, Valachi, although he claimed to have proposed others for membership, twice stated that he couldn't remember being "invited to participate at any other initiation ceremony." No member of the

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committee thought to ask him how it was that subsequently—from 1930 onward—no new member was ever to meet *him* at an initiation ceremony. They appeared to be satisfied with his statement: "Let me explain it this way. You are only made once; that is all. If you live a hundred years, it will be just that once." Yet, earlier he had stated that the purpose of these meetings was "to meet the others that were in that family." It remains only to add that, although Valachi stated: "That is the same ceremony today, what I described in 1930," on this matter, too, there was no corroboration. The nearest the committee came to securing corroboration was a statement from Detroit Police Commissioner Edwards: "We would not be in the slightest surprised at the form of initiation which was described here, but we, unfortunately, do not have in our possession someone who could testify directly."

The Genovese "family"

We come now, however, to what is unquestionably a matter of substance, to that part of Valachi's testimony that dealt with the membership and organizational structure of the Vito Genovese "family" in New York to which he belonged. It was in this connection that his evidence was said to be most valuable and reliable. John F. Shanley, Deputy Chief Inspector in the Central Investigations Bureau, which is the intelligence unit concerned with organized crime in the New York City Police Department, stated, "His strength is in the Genovese chart, his greatest strength. . . ."; the chart referred to being one prepared by the Central Investigations Bureau showing details of the Vito Genovese "family." It is important, therefore, to see how far Valachi's evidence was corroborated by the police. In this connection, the evidence given by Deputy Chief Shanley reveals that the information given by Valachi coincided with that put forward by the police in a number of respects. Yet an examination of the record reveals other facts which also make it clear that:

1. It would have been very surprising indeed if the police evidence had not agreed with that of Valachi, and,

2. To talk of the police evidence as *corroborating* Valachi's testimony is to totally misrepresent the situation.

In order to demonstrate this point, it is only necessary to reproduce two brief passages from Deputy Chief Inspector Shanley's testimony. The first passage is taken from the beginning of that testimony:

The Chairman: Have you gone over the information that the committee has obtained and conferred with the staff regarding it, and also with this witness, Joe Valachi?

Mr. Shanley: I haven't conferred with the witness.

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The Chairman: You never conferred with the witness?
Mr. Shanley: No, sir.
The Chairman: So, what you are going to testify here is not a result of any conference you have had with Valachi?
Mr. Shanley: No, sir.
The Chairman: Very well, you may proceed.

The second passage occurs toward the end of Deputy Chief Inspector Shanley's evidence, after he had produced the chart referred to above and testified about the Genovese "family." It runs as follows:

The Chairman: Senator Muskie, you have a question?
Senator Muskie: You testified earlier, Inspector Shanley, that you had not personally talked to Mr. Valachi.
Mr. Shanley: That is right.
Senator Muskie: Yet these charts are based heavily on his information, am I correct?
Mr. Shanley: That is correct.
Senator Muskie: What was the source of your access to his information?
Mr. Shanley: The Committee.
Senator Muskie: These hearings?
Mr. Shanley: Yes, sir. We received the information prior to the hearings.
Senator Muskie: Would it have been possible for you to reconstruct these charts without his testimony?
Mr. Shanley: No, sir.
Senator Mundt: Mr. Chairman.
The Chairman: Senator Mundt.
Senator Mundt: While we are talking about the value of the charts, you have been in the hearing room, I think, Inspector, since the very beginning of the Valachi testimony. Is that right?
Mr. Shanley: Yes, sir.

It is only necessary to add that sedulous reproduction is not the same thing as substantiation. Nor is it sufficient merely to assert, as Mr. Shanley did, that Valachi's information possessed "an apparent authenticity that is hard to doubt." Mr. Shanley appears to have felt that the impossibility of verifying much of what Valachi said did not necessarily detract from its credibility or value.

> [T] he specific information that he gave, this will be pursued. But even if this specific information does not pan out, it *would not necessarily detract from the effectiveness of the information,* because the lapse of time, as you well know, goes for the defendant and what happens in 10, 20, 30 years is that the witness is not available, memories fade, locales change. In New York, some of the things this man is talking about no longer exist as to locale. The buildings are torn down. Physical evidence has gone. (My italics.)

It never became clear exactly what he meant by "effectiveness" in this context.

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The case of Abe Reles

There is, however, one example in the transcript of the McClellan Committee Hearings which throws some light on the credibility of Valachi's evidence, and the reliability of the sources from which he derived his information. That is the case of Abe Reles. Early in the hearings, Valachi cited Reles' death as an example of the way in which "the organization" was able "to kill somebody when they are in prison if they want to." He testified as follows:

Mr. Valachi: There was another one, Abe Reles. He was also supposed to testify. He fell out of the window.
Senator Brewster: How did he fall out of the window, do you know?
Mr. Valachi: They threw him out.

Later in the hearings, the committee returned to this point. Senator Javits read out the passage quoted above and then asked:

Senator Javits: Who threw him out?
Mr. Valachi: That was the rumor that they threw him out.
Senator Javits: Who is "they"? You used the word.
Mr. Valachi: Let us put it this way, whoever was in charge.
Senator Javits: That is on the gang side; is that right: What was the rumor, as you knew it?
Mr. Valachi: That the police threw him out.
Senator Javits: That was the rumor as you knew it?
Mr. Valachi: Yes.
Senator Javits: Do you know any more about it?
Mr. Valachi: No; that is all.
Senator Javits: Did you hear that confirmed in prison or in any way?
Mr. Valachi: The boys talked about it; that is good enough for me.
Senator Javits: The boys in prison?
Mr. Valachi: No; the boys outside.
Senator Javits: The boys in your gang, is that right?
Mr. Valachi: Yes.
Senator Javits: Any particular boy?
Mr. Valachi: Well, now, I would say in general conversation here and there. When you have a conversation, it is pretty solid.
Senator Javits: You believed it?
Mr. Valachi: Yes, anything I hear.

Eight days later, the committee was to hear more about the death of Abe Reles. Picturesque stories about "the organization" were one thing; allegations against the police were a different matter. Deputy Chief Inspector Shanley, who had been so impressed by the "apparent authenticity" of Valachi's information, reappeared, speaking in a somewhat different vein.

The Chairman: Very well. Is there anything further?

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Mr. Adlerman: I think that Inspector Shanley has something that he would like to put into the record, a statement he would like to make.

Mr. Shanley: I have here a grand jury presentment in the matter of the investigation of the circumstances surrounding the death of Abe Reles on November 12, 1941. . . .

Shanley then read a statement to the effect that the grand jury, after examining 86 witnesses, viewing 127 exhibits, and hearing scientific reports from the FBI, had concluded:

> That Abe Reles met his death while trying to escape, by means of a knotted sheet which was attached to a wire, which wire was in turn attached to the radiator in his room. He fell to his death, while suspended from or supporting himself in this sheet, when the wire parted as a result of the strain on his weight on it. We find that Reles did not meet with foul play and that he did not die by suicide.

Organizational discipline

We turn now from "the corroboration furnished by law enforcement officers [that] makes Valachi's testimony more credible and important," to what, in the circumstances, is the only other criterion of validity available, that is, the internal consistency of the evidence. Here there are a variety of matters that might be considered. In view, however, of the great emphasis that is always placed, in the literature, on the strictness of organizational discipline, and the obvious necessity for this if such an organization is to cohere and continue to exist, it is interesting to examine first the evidence on this topic.

In this connection, Senator McClellan spoke in his opening address of "the strict discipline imposed upon the members." He said: "This tightly knit association of professional criminals demands and gets *complete dedication and unquestioned obedience* by its members to orders, instructions and commands from the ruling authority or boss or bosses thereof." Subsequently, many witnesses were to refer to this. Thus, William H. Schneider, commissioner of police of Buffalo, spoke of the syndicate as "a multibillion dollar syndicate which depends on brutal assault and murder as its means of *cold, dispassionate discipline.*" (My italics.) Valachi was asked about this by Senator McClellan.

The Chairman: [T]hat (i.e., Cosa Nostra) is an organization, is it that requires *absolute obedience and conformity* to its policy as handed down by those in authority? (My italics again.)

Mr. Valachi: Yes, sir.

. . .

The Chairman: Is that correct?

Mr. Valachi: Yes, sir.

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It is interesting to compare these statements with some passages in Valachi's later testimony. It appears that, because of "the heat of the narcotics prosecutions, and the investigations and the publicity" in 1957, "those in authority" decreed that there was to be no more dealing in narcotics among members of Cosa Nostra. As Valachi put it: "No narcotics. You are in serious trouble if you were arrested for narcotics. You had to prove to them—you have another trial after having a trial with the government." His examination on this topic ran as follows:

Mr. Valachi: After Anastasia died in 1957, all families were notified—no narcotics.
Mr. Adlerman: Who laid down that rule?
Mr. Valachi: That was a rule that was discussed by the bosses themselves.
Mr. Adlerman: Was that the consigliere and the bosses themselves made that rule?
Mr. Valachi: That is right; that covered all families.

It is instructive to read what came next:

Mr. Adlerman: Was the narcotics trade one of the principal moneymakers for the members of the Cosa Nostra?
Mr. Valachi: Yes, it was.
Mr. Adlerman: And was this rule disregarded to a large extent?
Mr. Valachi: You mean there were lots of people in business?
Mr. Adlerman: That is right.
Mr. Valachi: Yes, sir.

Valachi went on to say that even some of "the bosses" violated the rule and he was then asked:

Mr. Adlerman: What was the reason why the members, the soldiers and so forth, and even some of the bosses disregarded the rule?
Mr. Valachi: Because of the moneymaking, the profit in it.
Mr. Adlerman: There was big money?
Mr. Valachi: They would chance their own lives.
Mr. Adlerman: And there was a conflict between the desire to make money and the desire to obey the rules; is that right?
Mr. Valachi: Well, they just defied the rules.
Mr. Adlerman: They defied the rules?
Mr. Valachi: That is the way I can explain it that way.

In the light of what had been said earlier about "complete dedication and unquestioned obedience," it was not an entirely satisfactory explanation. But then no explanation, however ingenious, could encompass the logically impossible task of reconciling the development described with the concept of a ruthless, unquestionable authority imposing "cold, dispassionate discipline" and securing "absolute obedience and conformity." Indeed, the evidence casts doubt also on the validity of the Attorney General's belief that

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"Cosa Nostra . . . establishes an allegiance for its members that is higher than family, country and religion. It becomes the primary allegiance of the member." Not quite the *primary* allegiance apparently. Yet, Senator McClellan was still talking a week later about "Cosa Nostra . . . and the misguided and dedicated loyalty of its members."

Mutual aid?

It is, in fact, extremely difficult to understand what membership of the organization was supposed to entail either in the way of rights or duties. When Valachi was describing his initiation, he was asked:

Senator Mundt: In executive session you said when you had your hands all clasped together and repeated some words in Italian or Sicilian, that what it meant was "One for all and all for one."

Mr. Valachi: Yes; that is the way I explained it.

Senator Mundt: One for all and all for one.

Mr. Valachi: That is right. But I didn't know the words, Senator. You remember, I didn't know the words.

Senator Mundt: That is right, but you said that is the reaction you got.

Mr. Valachi: That is correct.

Senator Mundt: All right, then you became there a full-fledged member.

Mr. Valachi: Yes, sir.

It would seem reasonable to assume that the slogan, assuming that Valachi understood it correctly, implied some kind of mutual aid and protection. Certainly Senator McClellan had told the committee that "The benefits of membership . . . are a share in its illicit gains from criminal activities and protection from prosecution and the penalties of the law. . . ." Later Valachi was asked:

Senator Mundt: I want to ask you a couple of questions dealing with the first part of your testimony. You belonged to Cosa Nostra for about 30 years?

Mr. Valachi: Since 1930.

Senator Mundt: What was your average income from your criminal contacts during those 30 years, your average annual income?

Mr. Valachi: Senator, I wouldn't be able to tell you. Sometimes I was doing bad, sometimes I was doing good.

Senator Mundt: What I am trying to establish is that you were working as a soldier in this family, I am trying to determine what your income was as a soldier working for Genovese.

Mr. Valachi: You don't get any salary, Senator.

Senator Mundt: Well, you get a cut then.

Mr. Valachi: You get nothing, only what you earn yourself. Do you understand? . . .

Senator Mundt: You say the only thing you got out of your membership

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and for carrying out your assignments that Genovese gave you was protection?

Mr. Valachi: Yes. . . .

So much then for Senator McClellan's "share in its illicit gains." What about "protection from prosecution and the penalties of the law"? Deputy Chief Inspector Shanley had told the Committee that "[T]he family will help with lawyers, bail bondsmen, *et cetera,* if anything goes wrong."

The following passages are relevant here:

Senator Javits: Were you represented, for example, by lawyers in that time when you were picked up?

Mr. Valachi: When you are picked up, sometimes yes; sometimes no. Sometimes you don't even require a lawyer.

Senator Javits: How did you seek the help of your family when you were picked up?

Mr. Valachi: I used to get my own help. What family do you mean?

Senator Javits: The family to which you belonged, the Genovese family.

Mr. Valachi: I never bothered them. If I got picked up, I got myself out, I got my own lawyers.

Senator Javits: Did they give you any protection in the 35 years?

Mr. Valachi: No.

Senator Javits: They did not furnish lawyers?

Mr. Valachi: Never

Senator Javits: Or bondsmen?

Mr. Valachi: Never, I got my own bondsmen, my own lawyers.

. . .

Senator Javits: Do you attribute the fact that you were not convicted of a crime for 35 years to your membership in this family? Do you connect the two at all?

Mr. Valachi: No.

Senator Javits: You were just lucky?

Mr. Valachi: That is right.

Senator Javits: And you changed the nature of activities?

Mr. Valachi: Put it that way.

Senator Javits: So your membership in the family had nothing to do, in your opinion . . .

Mr. Valachi: I was never in a position, if I was I would tell you, Senator, I was never in a position where the family helped me.

In his evidence before the McClellan Committee, the Attorney General spoke of the commission ("We know that Cosa Nostra is run by a commission. . . .") as a body that "makes major policy decisions for the organization, settles disputes among families and allocates territories of criminal operation within the organizations." It sounds a very businesslike and efficient operation on the part of men about whom the committee were later told "frequently they don't make out in the legitimate business" because they are "not

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very smart businessmen." But it is hardly consistent with Valachi's testimony. He was asked:

> *Senator Curtis:* In that connection, did they divide up the territory? Even though you operated on your own, you knew where you could operate?
> *Mr. Valachi:* No, you see, Senator, you take Harlem, for instance. We have about four families all mixed up there. *There isn't any territory.* You find Brooklyn gangs in New York and New York into Brooklyn. They get along very well. If anything, you have in Brooklyn, in fact they help protect it for you. *I would not say it is territories.* You take for instance in Harlem, we have about three families bumping onto one another. You have the Gambino family, the Lucchese family, and you have the Genovese family right in Harlem. . . . You have three families right there. You have members there from all different groups. (My italics.)

Precepts and rules

We may deal briefly with one other matter and then leave the McClellan Committee. Senator McClellan told members that "The penalty for disloyalty or any serious deviation from the precepts, rules and dictates of the order is usually death." But what were the precepts and rules of the order? We have already noted Professor Cressey's remarkable "code of good thieves everywhere." What did Joseph Valachi have to say on the subject? He stated that at the time of his initiation he was told that he must never divulge the secrets of the initiation ceremony or of the organization. On this point, he said:

> As to what I am telling you now, I need go no further to say nothing else but this here, what I am telling you, what I am exposing to you and the press and everybody. This is my doom. This is the promise I am breaking. Even if I talked, I should never talk about this, and I am doing so. That is my best way to explain it.

His examination continued as follows:

> *The Chairman:* . . . Were any of the rules explained to you there, or were they explained to you later?
> *Mr. Valachi:* Just two rules at this time.
> *The Chairman:* Just two at that time?
> *Mr. Valachi:* At this time.
> *The Chairman:* What were they?
> *Mr. Valachi:* One was the secret which I was just telling you about, and the other rule was, for instance, a wife, if you violate the law of another member's wife, or sister, or daughter, these two rules were told; in other words, you had no defense.
> *The Chairman:* You have no defense?
> *Mr. Valachi:* These two main rules. If you give away the secret or you

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violate—at this time that is all of the rules I was told.
The Chairman: Those two.
Mr. Valachi: At this time.
The Chairman: If you violated the family relationship of a husband and his wife, and if they were members of Cosa Nostra; is that all?
Mr. Valachi: If they were members. If they were members of Cosa Nostra.
The Chairman: You were prohibited from violating the rules of family relationship.
Mr. Valachi: That is right.
The Chairman: Those two at that time.
Mr. Valachi: That is right.

But, although Valachi testified that later on he "learned the rules," the only other example he gave was, "For instance you can't hit another member with your fist." He admitted having broken this rule himself when he found his partner "was stealing most of the profit." Senator McClellan seems to have scented another rule at this point, for he asked: "Was that against your code, to steal from each other?" But Valachi's reply was somewhat equivocal. "Well yes," he said, "against my code it was." And that was all the committee learnt about "the code" which, according to the President's Commission Task Force Report on Organized Crime "gives the leaders exploitative authoritarian power over everyone in the organization."

Of the three rules he mentioned, Valachi had avowedly broken two. Was he unusual in this? He was certainly not unique in becoming an informer. According to the Attorney General, the *main* thing that distinguished him was that he was willing to "come and testify in public." Over two years later, J. Edgar Hoover told a House of Representatives Appropriations Subcommittee that "*all the Valachi information* . . . had been obtained from informants of the Bureau" prior to the McClellan committee hearings. But, apart from this sort of disloyalty, did the chivalric code of "One for all and all for one" otherwise prevail? Almost everything in Valachi's testimony suggests the opposite. He spoke of vicious power struggles and murderous internecine conflicts like the Masseria-Maranzano war and the Gallo-Profaci feud. He spoke of "the bosses" as being "very bad to the soldiers and they have been thinking for themselves, all through the years." He portrayed Professor Cressey's "almost revered" Vito Genovese as mean, murderous, and megalomaniacal. If there existed anywhere amongst organized criminals that "sense of decency and morality—a sense of honor," which Professor Cressey remarks as characteristic of them, it seems to have escaped Joseph Valachi's notice.

In sum then, what can be said about the Valachi evidence? In the first place, the Attorney General's assertion that "For the first

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time an insider . . . has broken the underworld's code of silence," was misleading. It was contradicted later both by the Attorney General himself and by J. Edgar Hoover. Apart from his willingness to testify in public, only one feature of the Valachi testimony was unique. What that was is clear from the Attorney General's statement:

> You look back on organized crime and people who are talking about organized crime, somebody might talk about a particular criminal act. What we have always lacked is somebody who could come in and tell the whole picture. Now he tells it. . . .

In short, what Valachi added to the already available evidence about particular crimes and criminals was the story of the syndicate, its organization, its operations, and its membership.

What was his evidence on that subject worth? A great deal of it was the loosest kind of hearsay. Valachi believed and repeated on oath, as matters of fact, "anything" he heard in conversation "here and there" with his fellow criminals. Despite what Senator McClellan said about his evidence being corroborated, it was not corroborated on any points essential to the hypothesis we are considering. It was neither consistent with itself nor with other evidence that was presented to the Committee. Valachi both contradicted himself and was contradicted by others. Moreover, what the Attorney General called "the biggest intelligence breakthrough yet" appears to have produced nothing in the way of tangible results.

Two and a half years after Valachi testified, J. Edgar Hoover was asked before the House of Representatives Appropriations Subcommittee mentioned earlier:

> *Mr. Rooney (Chairman):* Has Valachi been of any assistance to the Bureau in the prosecution of any criminal as a result of which there has been a conviction?
>
> *Mr. Hoover:* There has been no person convicted as a direct result of any information furnished by Valachi.

And four years later, the President's Commission Task Force Report on Organized Crime described the situation regarding organized crime in precisely the same terms as those used by the Attorney General before the McClellan Committee. Almost the only development reported is that "FBI intelligence indicates that the organization as a whole has changed its name from the Mafia to La Cosa Nostra." The report is not very clear on this point but seems to suggest that the name was changed at some time between 1951 and 1966. So that even this contradicts Valachi who maintained that it had been called Cosa Nostra ("they never express it as a Mafia"), when he joined in 1930!

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Apalachin

There is one other piece of "evidence" which should be mentioned here before we conclude. This relates to what J. Edgar Hoover called the "meeting of hoodlums at Apalachin, N.Y.," which has been referred to somewhat more grandly by others as the "Crime Convention at Apalachin" and the "historic rally of the Mafia at Apalachin." Senator McClellan says of it:

> The meeting gave to millions of Americans their first clear knowledge that we have in this country a criminal syndicate that is obviously tightly organized into a secret brotherhood which none of its members dare betray, and which has insinuated its tentacles into business and labor and public life at high levels. . . .

But whatever else can be derived from the mass of confused and contradictory evidence available regarding Apalachin, it is certainly not "clear knowledge."

There seems to be general agreement that on November 14, 1957 a number of individuals, most of whom "had criminal records relating to the kind of offense customarily called 'organized crime,'" gathered at the home of Joseph Barbara in Apalachin, N.Y., and that the gathering was interrupted by the police. But, beyond that point, the evidence becomes extraordinarily confused. Indeed, even such basic information as how many persons were present at the gathering is lacking. Thus, Senator McClellan states that: "*Fifty-eight* men were picked up on the Barbara estate or in the immediate surrounding countryside." *The Report of the State of New York Joint Legislative Committee on Government Operations* on "the Gangland Meeting in Apalachin, N.Y." states, "On November 14, 1957, *about 65* individuals gathered at the home of a man named Joseph Barbara, in Apalachin, N.Y. . . ." *The Task Force Report: Organized Crime* talks of "the meeting in Apalachin, N.Y., of *at least 75* criminal cartel leaders." Attorney General Robert Kennedy testified to the McClellan Committee that: "In 1957, *more than a hundred* top racketeers met at the now infamous crime convention at Apalachin, N.Y." (My italics in each case.)

Where such discrepancies exist about a matter that is, at least in principle, subject to quantitative measurement, it is not surprising that there is disagreement about less objective features. The following brief passages by authors, both of whom derived their information from, and cite as their authority, the Federal Bureau of Narcotics, give almost totally disparate accounts of such matters as the weather, the number, dress, demeanor, and spirits of the guests at Apalachin. Frederic Sondern, in *Brotherhood of Evil: The Mafia,* says that, of the "more than sixty" persons present, many were

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engaged in "conclaves" inside Barbara's house. Sondern continues:

> Others were grouped around the huge stone barbecue pit. . . . The weather at Apalachin was unusually mild for November and most of the guests were dressed in immaculate light suits of Italian silk, white on white shirts, and highly polished shoes of soft leather. The majority were in their late fifties and early sixties—dignified, even pompous. All seemed to be in a decorous good humor.

Renée Buse, in *The Deadly Silence,* on the other hand says:

> It was an odd day for a barbecue. The sky was gray. The November temperature hovered just above freezing. Cold, damp rain-winds swirled through the barren trees. The hundred-odd men who stood in uncomfortable clusters around the barbecue pit were quiet, even glum. Somehow, the party spirit had failed to penetrate. Dutifully the guests ate and drank . . . but their loud, Broadway type sports jackets, their thin, pointed shoes, and their pasty complexions bespoke their awkward discomfort.

It is true that this is not a matter of great significance. Such differences could easily be due to one informant having drunk from the "selection of choice wines," which Sondern says was available, more "dutifully" than another. But discrepancies regarding more substantial matters are less easy to discount.

Consider, for instance, the question of the nature of the gathering at Apalachin. John T. Cusack, District Supervisor for the Federal Bureau of Narcotics, testified before the New York State Legislative Committee that "the meeting at Apalachin, New York, should be considered a meeting of the Grand Council" of "the Mafia Society." Attorney General Robert Kennedy, in his evidence to the McClellan Committee, cited "the meeting at Apalachin" as an example of a meeting of the commission that runs Cosa Nostra and "makes major policy decisions for the organization." But he also testified that "membership in the commission varies between 9 and 12 active members." He made no attempt to reconcile this evidence with his earlier statement that "more than a hundred top racketeers" were present at Apalachin. Senator McClellan allowed himself a rhetorical flourish. "The meeting of the delegates to the Apalachin convention," he said, "suggests a lawless and clandestine army . . . at war with the government and the people of the United States." He failed to mention, however, that not one of these lawless warriors was armed, and that only one (a parole violator from New Jersey who should not have left the state) was wanted anywhere by the police.

What business was conducted at Apalachin? Renée Buse, who says that Federal Bureau of Narcotics Commissioner H. L. Giordano's "desire to have the story told accurately" made his investigation possible, describes a hearing of an appeal to "the Bosses"

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by Carmine Lombardozzi, against conviction by "a kangaroo court of his peers . . . for having tried to muscle into another man's exclusive jukebox territory," as being the principal business in progress when the police closed in. Frederic Sondern, whose accuracy is vouched for by former Federal Bureau of Narcotics Commissioner, H. J. Anslinger, states:

> The business of the meeting at Barbara's—according to well placed informers who have pieced the picture together for the Treasury Department's agents—*concentrated on two questions* crucial to the future of big organized rackets, narcotics and gambling.

But, another well-placed informer, Joseph Valachi, testified to the McClellan Committee:

> The meeting *was held for two main reasons* that I know of. One was to talk about the justifying of the shooting of Albert Anastasia. The other one was that they were going to talk about eliminating some couple of hundred new members.

Valachi, incidentally, stated that Vito Genovese "called the meeting at Apalachin," whereas Sondern says that the McClellan Committee "had very reliable information" that "William Bufalino . . . was responsible for organizing—for his close friend and associate of many years, Don Giuseppe Barbara—the whole Apalachin meeting." Giuseppe, he says, "was a capo mafioso of the first order, of unusual experience, wisdom and authority."

It scarcely seems necessary to multiply examples. When, subsequently, twenty of those present at Apalachin were charged with "conspiring to obstruct justice and commit perjury," the government frankly admitted at the outset of the trial "that it would not be able to show what was going on at the meeting." Regarding this trial, the *Task Force Report: Organized Crime* says: "In 1957, twenty of organized crime's top leaders were convicted (later reversed on appeal) of a criminal charge arising from a meeting at Apalachin, N.Y." It is characteristic of the inconsequential way in which the whole subject is treated in both official and unofficial reports that the defendants are said to have been convicted in 1957 of charges on which they were not even indicted until May 1959. But the report is accurate in stating that all the convictions were reversed on appeal.

What remains after one penetrates the fog of senatorial fustian and journalistic rhetoric? Professor Cressey is unusually restrained on this question. "No one has been able to prove the nature of the conspiracy involved," he says. But he adds, reasonably enough "no one believes that the men all just happened to drop in on the host at the same time." Professor Bell says: "The accidental police discovery of a conference of Italian figures, most of them with under-

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world and police records at Apalachin, New York, in November, 1957, revived talk of a Mafia." But he says the "'evidence' that many gangsters congregate . . . by itself does not prove much; people 'in the trade' usually do. . . ." A reasonable explanation seems to be that it was as suggested by *Time* magazine reporter, Serell Hillman who was assigned to check the story over some weeks—a meeting "of criminals in various cities and areas, who run their own shows in their own fields but have matters of mutual interest to take up." One thing is certain: the information available about Apalachin provides no serious evidence that "a single national crime syndicate" dominates organized crime in America; nor does it make this seem probable.

An article of faith

Yet if the evidence for the existence of an All-American crime confederation or syndicate is both suspect and tenuous to the point of nullity, it is clear that for the believer there is nothing that could count decisively against the assertion that it exists. Indeed, precisely those features that in ordinary discourse about human affairs might be regarded as evidence in rebuttal are instantly assimilated as further strengthening the case *for* the hypothesis. The absence of direct evidence, apart from Valachi's uninhibited garrulity (and other unspecified informants), merely demonstrates "the fear instilled in them by the code of nondisclosure." Thus, denials of membership in, or knowledge of, the syndicate can not only be dismissed as self-evidently false, but also adduced as evidence of what they deny. If there is gang warfare, this indicates that "an internal struggle for dominance over the entire organization" is going on; and also provides "a somber illustration of how cruel and calculating the underworld continues to be." If peace prevails this may be taken either as evidence of the power of the syndicate leadership and the fear in which it is held; or alternatively as reflecting the development of "the sophisticated and polished control of rackets that now characterize that organization."

It is said that "practically all" the members of the organization "are of Sicilian birth or ancestry." Professor Cressey, for example, speaks of "the Italian-Sicilian apparatus [that] continues to dominate organized crime in America." But counterevidence relating to the activities of those from other ethnic backgrounds (e.g., Meyer Lansky, said by J. Edgar Hoover to be "generally recognized as one of the most powerful racketeers in this country"), can easily be accommodated as illustrating the "characteristic Mafia method of utilizing non-Sicilian associates where it serves its criminal objectives." In the end, it is difficult to resist the conclusion that one is not dealing with an empirical phenomenon at all, but with an

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article of faith, transcending the contingent particularity of everyday experience and logically unassailable; one of those reassuring popular demonologies that, William Buckley has remarked, the successful politician has to cherish and preserve and may, in the end, come to believe.

In conclusion, two things can be said. First, here as elsewhere, it may be salutary to bear in mind the principle expressed in the celebrated scholastic dictum that has become known as Occam's Razor: *entia non sunt multiplicanda praeter necessitatem* (entities ought not to be multiplied except out of necessity). For it seems likely that what Laplace found in the sphere of cosmology will also obtain in the more mundane field of criminology: there are hypotheses that we do not need. Second, it is inherently improbable that organized crime is for the most part in the hands of monolithic nationwide crime syndicate controlled by a single "commission." As Thomas C. Schelling says in his "Economic Analysis and Organized Crime," which is printed as an appendix to the President's Commission Task Force Report, "A large part of organized crime involves selling commodities and services contrary to law." But, "not all businesses lend themselves to centralized organization," and "the inducements to expansion and the advantages of large-scale over small are especially present in some markets rather than others." It is conceivable, of course, that the economy of the underworld is totally different from that of legitimate business. But it seems reasonable to assume that, as Professor Schelling says,

> a good many economic and business principles that operate in the "upperworld" must, with suitable modification for change in environment, operate in the underworld as well, just as a good many economic principles that operate in an advanced competitive economy operate as well in a Socialist or a primitive economy.

In other words, the assumption that, despite the diversity of the activities involved and the absence or presence of the market characteristics that would be likely to determine whether or not, or to what degree, organization would be likely to occur, one vast criminal monopoly has developed with the profits pouring into "the treasury of the Cosa Nostra"—this assumption seems extraordinarily fanciful. But it is true that we do not have the data that would enable us to reject it. What is needed—and here the Task Force Report is unexceptionable—is that the "relevant disciplines such as economics, political science, sociology and operations research" should "begin to study organized crime intensively," and preferably without too many preconceptions.

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Purpose and planning in foreign policy

ZBIGNIEW BRZEZINSKI

THE purpose of planning policy is to fuse thought with action. The more trivial the issue and the more specific the proposed action, the easier the fusion. Combining deliberate action with sustained forethought is accordingly especially difficult for a policy operating on a global scale. World affairs are not easily reducible to a few concepts; in their turn, sweeping and frequently banal generalities do not provide helpful guides to specific actions. Global involvement requires reacting quickly to a myriad of diverse situations, each seemingly—and often in fact—unique. The all-too-frequent result is not policy, but an illusion of policy: well-polished cliches mask belated reactions to dynamic and novel events.

Planning—the fusion of thought and action—encounters fewer difficulties in a setting in which interests are more clearly defined by established traditions, the limits of geography, and relatively modest resources. Historical continuity and clearly definable priorities permit more precise definition of fundamental principles. They provide a conceptual framework within which the policy planner operates, permitting him to focus on what is centrally important. Specific plans then have a common base, and are part of an integrated whole. Thus the foreign policy of France, despite the "tous azimuts" strategy, still gives primacy to the maintenance of the European equilibrium and hence is preoccupied with the balancing of

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Germany and Russia. Poland, located between Berlin and Moscow, has been compelled by geopolitical circumstances to base its security since 1945 on a close alliance with the much more powerful Soviet Union. Even the Soviet Union, despite its nuclear power and ideological aspirations, necessarily focuses primary attention on two regional areas of most immediate concern to it: Central Europe and China. Making certain that neither is controlled by forces hostile to Moscow is the point of departure for other preoccupations.

I. The problem of scale

The American policy-planner finds himself in a rather different position. American power, in all of its forms (and not only the military), creates an intimate U.S. involvement in the affairs of the entire globe, and a reverse involvement of the world in American affairs. American society is today the most globally oriented. More Americans travel to more spots in the world than people from any other nation. Some 2 million Americans work abroad—not as immigrants who are part of another community, but as Americans. American foreign investment has no peer, whereas the new international corporations, mostly American in origin, create a new cosmopolitan corporate elite largely influenced by American modes of thought and values. American magazines—*Time*, *Newsweek*, and *Reader's Digest*—are read regularly by tens of millions of non-Americans, and they stimulate an intense sense of participation in American life, American politics, and American problems. Unlike the Soviet Union, which increasingly evokes boredom, no one is indifferent to America —whether through envy, or admiration, or hatred. There is simply no other society that is so much part of the world.

This condition is not necessarily a blessing for the American policy-maker. A foreign policy that is global in scope runs the high risk of becoming intellectually paralyzed by the very scope of its involvement, and of becoming diluted in meaning by the diversity of the tasks it faces. To be sure, the American policy-maker is relatively free of the confining shackles of neighboring regional animosities. Unlike his Soviet counterpart, whose first morning glance is worriedly directed at Berlin and at Peking (even if thereafter focused on Washington), the American policy-maker is relatively relaxed about Ottawa and Mexico City. But, in part because he has no clear point of departure, his task is vastly more complicated and his priorities more fuzzy. Coming from a society traditionally suspicious of conceptual thought (where a "problem-solving" approach is held in esteem and concepts are denigrated as "intellectual cubbyholes"), shaped by a legal and pragmatic tradition that stresses the case method and the importance of precedents, the understandable conditioned reflex of the policy-maker is to universalize from the success

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of specific policies, formulated and applied in the "pre-global" age of American foreign policy.

America's entrance into the global arena had been precipitated by events limited in time and by a challenge specific in character. World War II and subsequent Soviet aggressiveness, each in a different way, could evoke an American response that drew on that for which America is famous: the capacity for a highly focused, concrete, massive, and superbly organized action on behalf of precisely defined goals. Winning the war, reconstructing Europe, containing Soviet power—these objectives could be defined precisely, and success or failure in obtaining them measured with similar precision.

The Marshall Plan and the containment of Russia were imaginative and timely responses to a specific regional challenge. At the time, the United States assigned the highest priority to European affairs. Both responses not only reflected American needs, but each was relevant historically to the prevailing conditions. A plan for the cooperative regeneration of Europe could tap the enormous skills and intelligence of the Europeans in order to revitalize an economy that, though badly destroyed, still possessed the second most advanced industrial infrastructure in the world. The containment of Russia, reinforced by European reconstruction, addressed itself to a threat that was clearly definable and delimitable.

Yet sterility is often the cost of success. George Kennan recounts that "for years thereafter, those of us who had had to do with the original Marshall Plan concept would be plagued with demands from the congressional side that we draw up or inspire similar programs for China, for the Middle East, or for Latin America." Similarly, for many policy-makers the containment of the physical power of a major state became the model of how to contain the spread of revolutionary ideology in an ideology in many places reinforced by violent nationalist passions. The sudden transformation of America —sometime between 1955 and 1965—from a power preoccupied with Atlantic-European affairs into a global one left little time but to universalize the specific.

Global involvement

John F. Kennedy was the first "globalist" president of the United States. Roosevelt, for all his internationalism, essentially believed in an 1815-like global arrangement, with specific spheres of influence to be shared by the "Big Four." Truman primarily responded to a specific challenge and his policies indicated a clear regional priority. Eisenhower continued on the same course, occasionally applying European precedents to other regions. Under Truman, the most prominent policy-planner was George Kennan—a Soviet expert; under Eisenhower, Robert R. Bowie, a promoter of European and

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Atlantic unity; under Kennedy, Walt W. Rostow, a theorist of global conflict and the conceptualizer of stages of economic development. These shifts were symptomatic of the changing U.S. role. With Kennedy came a sense that every continent and every people had the right to expect leadership and inspiration from America and that America owed an almost equal sense of involvement to every continent and every people. His evocative style—in some ways appealing more to emotion than to intellect—stressed the universal humanism of the American mission, whereas his romantic fascination with counterinsurgency reflected the preoccupation with an effective worldwide response to revolutionary communism. The Marshall Plan and the policy of containment found their global equivalents in the Peace Corps and the Special Forces.

Global involvement, however, is qualitatively different from foreign policy as known so far. It does not lend itself easily to acceptable and enduring priorities; it is inimical to clearcut formulas and hostile to traditional preferences. Global involvement, moreover, resists precise measurements of success and failure. Is the support and sympathy of a given government for the United States more important than a country's rate of economic development? Is it more desirable that Brazil's Gross National Product grow at 5 per cent per annum than that its government support the United States with regard to Cuba and to hemispheric security? Does it make any difference that India's sympathies in foreign affairs are more frequently with Moscow than with Washington so long as India develops steadily and safeguards its democratic order? Are any places in the world still "strategically" important, given the revolution in weapons systems? Are any places politically unimportant, and if so, what are the criteria for so defining them and the ways of making certain that politically "more important" areas are not compromised by writing off the "unimportant" ones?

More difficult still is the task of integrating into a meaningful whole the enormously varied and countless specific programs, policies, and goals the United States is pursuing daily all over the globe. What is their common purpose? Why are they being pursued, and which are more important than others? Is their importance primarily a matter of the relative power position of their given sponsor in Washington—be it the Defense Department or AID? Can there be targets, progress toward which can be "measured" year by year? And what would happen if suddenly the United States decided to terminate 90 per cent of its global activities? Is avoiding the potential consequence—whatever it may be—of that hypothetical action the primary purpose of all these activities? And, if that is so, is a negative goal good enough to sustain, over a prolonged period of time, an involvement in the world without precedent in scope, effort, and money?

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These are the questions that a U.S. policy-maker must cope with, and they are unique ones. Not even a communist leader in a major capital, be it Moscow or Peking, faces similar dilemmas. For one thing, he is weaker, and his relative weakness liberates him from many dilemmas of his more involved, wealthier American counterpart. For another, he is armed with an analytical framework that permits him to compensate for his lesser involvement in the current affairs of the world with a convicton that he possesses a better insight into the historic thrust of world history. Thinking he knows where the world is heading makes him less concerned than the American with heading off the world from wrong turns. In a curiously paradoxical way, the communist policy-maker, because he subscribes to an activist ideology, can be more passive than the American whose intense activism often reflects his intellectual uncertainties.

II. The many facets of planning

It was said earlier that planning links thought with action. Conceptual and practical difficulties, however, make effective policy planning difficult to achieve. What exactly is the intellectual content of "planning," and how should the planners be related to those who have the power to make key decisions? The political success or failure of what in many respects is primarily an intellectual task depends in large measure on certain practical realities: how the mechanism of planning is organized and staffed, and how closely it is connected to the actual exercise of power. Failure to establish and maintain that connection can negate the intellectual merit of the entire planning mechanism. To paraphrase a famous dictum: power corrupts, but the absence of power can corrupt absolutely.

Comprehensive policy-planning can be said to require, first, a sensitivity to the broad sweep of history; second, a capacity to define historically relevant strategic goals and concepts; and third, a continuous review of current policies and tactics (as well as an occasional specific recommendation) to make certain that current actions are not in conflict with broader objectives. A sustained effort to understand and to define—and then periodically to re-examine—the nature of our times, the particular character of different phases within our historical era, and the role that the United States can meaningfully play in the world is a necessary and continuing point of departure for all planning. In this very broad meaning, there is a kinship between this aspect of planning and the analytical function that ideology performs in some communist political systems. The purpose of both is to integrate an extraordinary variety of historical patterns into a coherent whole from which meaning and goals can be extracted.

A clear understanding of the meaning of that which is happening

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is important because, without some sense of intellectual confidence concerning the thrust of change in our times, the policy-maker is reduced essentially to a reactive pattern or, just as bad, is compelled to take refuge in the deeply ingrained inclination of his bureaucratic subordinates to handle foreign policy essentially as a process of managing a myriad of specific—and seemingly unconnected—affairs. Reliance on intelligence data concerning present or future events cannot compensate for the need for a conceptual framework that helps to define the meaning of contemporary international reality.

That conceptual framework makes it easier in turn to make normative judgments. Preferences for a particular system of international affairs, the selection of priorities, and even the introduction of some moral considerations into the determination of policy can be more deliberate and coherent when derived from a reasonably confident feeling that efforts to attain certain broad goals are historically relevant. Might alone does not make right; intellectual confidence can help to provide the necessary staying power in the face of adversity.

Contingent analysis

The effort to develop a conceptual framework for assessing change in our times and for identifying the direction of that change, although functionally similar to an ideology, differs—or should differ—from ideology in many significant respects. For one thing, it should be highly contingent in character and nondogmatic in form. Ideology, particularly Marxism, while stressing the need for systematic evaluation—and then periodic re-evaluation—of historical patterns, is based on a series of fundamental philosophical assumptions about the nature of reality and contains doctrinal assertions about the "unfolding of history." These are matters of dogmatic belief, and though a Soviet policy-thinker may actually evade the intellectual restraints of his idological dogmas, his freedom of thought is still confined just by the fact that he has to engage in the act of evasion in order to assess some phenomena that do not fit the ideology.

Contingent analysis requires intellectual eclecticism. It must be based on the realization that any assessment of reality is, at the very best, only a partial approximation, and hence in part a distortion. Policy conclusions and judgments that are derived from it cannot be pushed to their logical extreme, lest they exaggerate the element of distortion that, it must be assumed, is inherent even in the most considered judgment. Moreover, the analytical tools used are themselves subject to change, especially given the scientific revolution of our times. Political, sociological, psychological, economic techno-

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logical, and military factors today can be evaluated, and even quantified, with a markedly greater degree of analytical sophistication than was the case several decades ago. Thus, unlike reliance on ideology, which is structurally wedded to a particular way of looking at reality, the contemporary planner must utilize highly diverse methods and analytical tools, ranging from theories of history through social sciences to computerization. Because these methods themselves are being continuously refined and developed, the planner must use them the way a photo analyst uses photography to perceive reality. Each refinement reveals new data, which can eventually alter the original assessment. Moreover, to pursue the analogy further, the political planner does not deal only with isolated, static phenomena. The "photographs" of reality that he tries to analyze are moving and dynamic—hence he must analyze their content and their direction—a task that must be approached with great humility, even given enormously more sophisticated data-collecting processes and advances in various sciences.

The recognition of complexity and the necessity of contingent thought, in turn, pose other dangers that are the very opposite of ideology. Analysis and planning can become so tentative or, in reaction to large uncertainties, so narrowly specific that they yield neither guidance nor continuity. The planner, consequently, may then seek intellectual refuge in trivial—though scientifically secure—propositions. Taking refuge in trivia is a strong intellectual and political temptation. The lower the intellectual credentials of the planner and the greater his personal dependence on the hierarchic bureaucratic processes, the more he is inclined to engage, not in policy-planning as such, but in minute drafting of sub-sub-policy proposals. In other words, architectural questions cease to concern him, and he becomes merely the draftsman in the architect's shop. That is safer, less challenging and less controversial. Instead of being a visionary, the planner becomes a concessionary.

The intellectual malaise of much of contemporary American social science reinforces the intellectual timidity of American thought on international politics. Fearful of the daring generalization, preoccupied with method and relying on quantification, American scholarship on international affairs provides useful tools only to those policy-planners whose ambition is to refine but not to create, to elaborate but not to perceive, to conserve rather than change. Barrington Moore, Jr., quite correctly charged some years ago that:

> when we set the dominant body of current thinking against important figures in the nineteenth century, the following differences emerge. First of all, the critical spirit has all but disappeared. Second, modern sociology, and perhaps to a lesser extent also modern political science, economics, and psychology, are ahistorical. Third, modern social science tends to be abstract and formal. In research, social science today displays

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considerable technical virtuosity. But this virtuosity has been gained at the expense of content. Modern sociology has less to say about society than it did fifty years ago.

The importance of forecasting

To help define the fundamental principles of foreign policy for a great country that itself is changing both in its values and social organization and that operates in a world that is experiencing the most convulsive changes of its entire history is no mean task. It requires the qualities of a prophet (or an ideologue), of a strategist, and of a gadfly. The prophetic function is to sense the thrust of history, to keep its pulse and to assist the policy-maker in keeping pace with it. The strategist defines relevant concepts and broad programs. The gadfly role becomes necessary when history takes a turn. Top policy-makers are necessarily so busy with daily affairs that they reflect little, and precisely because of that their tendency is either to ignore broader principles or to become so wedded to them as to transform them into rigid doctrines. That rigidity is particularly characteristic of second echelon policy-makers, once they have internalized a generalized concept articulated by their superiors. They value the ideologue only as long as he reinforces their strongly held beliefs. But creative ideologues, though they operate within a framework that provides continuity, are usually inclined to develop their own ideas, and they change them more readily than do their consumers. The resistance of some U.S. policy-makers to the idea that the Atlantic concept, once a creative and relevant idea, would have to be significantly reshaped to fit the new realities, is a good illustration of how the valued ideologue comes to be resented when he becomes a gadfly.

Policy-planning has to involve, to an important extent, the anticipation of future events. It thus has to rely on a reasonably accurate estimate of likely developments, both as provided to the planner by the intelligence community and as derived by him from analysis of trends. Planning, therefore, has a kinship to forecasting; but, as in the case of ideology, it is also significantly different from it. It involves not only forecasting, but, more important, a response to it; in the process, the forecast is purposely altered in keeping with what the planner deems to be attainable and desirable. Implicit in this is the notion that the planner is conscious of certain national purposes, and the confrontation between what is likely and what is desirable results in the formulation of the deliberately attainable.

Forecasting as an intellectual process has come into its own in recent years, and a respectable methodology for it has been refined. It involves the development of alternative models, the construction of dynamic patterns, and the classification and correlation of a

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variety of "hard" data (such as economic or technological statistics). Systematic long-range forecasting, especially in such fields as technology and weaponry, where reasonably accurate projections can be made, is a most useful aid to policy-planners. However, political forecasting, which requires a subtle and almost intuitive grasp of human interrelationships as they occur in differing political cultures, is necessarily a much more elusive and subjective process. Nonetheless, recent years have seen a considerable deepening in our understanding of the processes that make for political stability, change, development, and decay. It is increasingly possible for policy planners to make periodic assessments of longer-range political trends in key countries, and on that basis to construct alternative policy responses.

Planners and operators

Widespread public misconceptions to the contrary, the generation of "new ideas" is not the most important function of the policy-planning process. To come up at the right moment with a constructive and novel initiative is always desirable, but in the fascination with the new there is danger of replacing the steady pursuit of defined goals with a policy by gimmicks. The American political style is dominated by the pursuit of headlines, and American politicians vie in making each speech a platform for a "new major proposal." The Policy Planning Council of the Department of State inescapably comes under pressure, particularly when the President, the Vice President, or the Secretary of State is about to make a major pronouncement, to come up with a speech draft containing something significantly new. It is not an accident that this pressure becomes strongest during the electoral season.

There is, nonetheless, an important utility in this speech-writing chore, which makes the assignment less of an imposition and interference than otherwise would be the case. It provides the planners with a direct channel to the top policy-makers, whose need for "new ideas" gives the planners an opportunity to shortcircuit bureaucratic opposition to recommend departures from established policies. There is no better vehicle for imposing a doctrine, or for launching an initiative, than a presidential speech. A bulging file of rejected plans can be suddenly emptied, often to the chagrin of line officials.

That chagrin, indeed even resentment, is much to be preferred to indifference. A former planner, George Allen Morgan, correctly noted that ". . . planning in foreign policy is a passionate as well as an intellectual process. Its task is to energize as well as to analyze." In so doing, conflict with line officials is not only inevitable but even healthy. Planned policy necessarily takes a goal for tomorrow as its starting point and then works back to today. Operational policy has

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no choice but to start with the problems of today, with the effect that their solutions inherently dictate the patterns of tomorrow.

Ideally, both the planners and operators should be equally concerned with long as well as short-range purposes. Walt Rostow, in commenting on his experience as the State Department's chief planner, stressed that the critical decisions for long-range policy are the current ones, and he concluded that "the planner does not face a choice between long-run and short-run interests: he must combine them." In practice, however, there develops an inescapable gap between the planners and the operators. The planner must "avoid trivia" in Secretary Marshall's famous injunction; the operator cannot help but find the planner's preoccupation with grand designs rather irrelevant. The gap—and the tension—between them can be resolved only by the top policy-maker himself. The ability to influence him directly by speech-writing is important compensation for the exclusion of planners from most day-to-day decisions.

That exclusion, to some extent, is desirable and necessary. Planners would cease to be planners if they were to become involved in current policy-making. The real problem is where to draw the line, lest planning—divorced even from major policy decisions—become an abstracted intellectual process, unconnected to policy, or increasingly take refuge in detailed development of specific ideas. In the latter case, the planning mechanism becomes transformed into a bureau of studies, with the policy-planners utilizing their talents to develop in greater depth assignments usually involving the specific application of a larger policy design. That the political significance of planning is thereby downgraded hardly needs adding.

In the final analysis, the ultimate intellectual and political success of the planning process depends almost entirely on the Secretary of State himself. If not related by him to the exercise of power, even the most vigorous and creative planning minds atrophy; absorbed in daily business, even the best generalists soon become specialists in elaborating the obscure. With many higher state department officials confusing policy-making with the defense of orthodox policies, the planners depend entirely on the extent to which the Secretary of State himself uses foreign policy-making as a process requiring a sustained, deliberate, and critical intellectual input, designed to keep long-range goals in sharp relief, to re-examine periodically the continued validity of these goals, to define, when necessary, new ones, and to check whether the thrust of more immediate decisions is compatible with a larger view.

III. "Purpose-planning" or "problem-planning"

It is revealing to confront these generalizations with actual experience. When the State Department's Policy Planning Staff (later

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renamed the Policy Planning Council) was first established in 1947, its assignment was:

> 1) Formulating and developing, for the consideration and approval of appropriate officials of the department, long term programs for the achievement of U.S. foreign policy objectives. 2) Anticipating problems which the department may encounter in the discharge of its mission. 3) Undertaking studies and preparing reports on broad political-military problems. 4) Examining problems and developments affecting U.S. foreign policy in order to evaluate the adequacy of current policy and making advisory recommendations on them. 5) Coordinating planning activities within the Department of State.

In George Kennan's words, Secretary Marshall conceded "to the staff a certain function as the ideological inspirer and coordinator of policy, bringing into coherent interrelationship the judgments and efforts of the various geographic and functional divisions of the department." In effect, the planners were to Marshall a civilian equivalent of the General Staff, with whom he would consult as a body, in addition to maintaining personally a close working relationship with the chief planner, George Kennan. Secretary Acheson's approach was less institutional, more inclined to deal alone on an *ad hoc* basis with the planning chairman; eventually he condoned the establishment of the rule that the operational divisions of the department could veto objectionable parts of planning papers. Serving as Secretary at a time when the new postwar priorities and strategy of U.S. foreign policy had already been firmly set, Acheson saw in his first chief planner essentially "an intellectual gadfly . . . not to be taken seriously when it came to the final, responsible decisions of policy." Later, having appointed a chief planner more to his taste, Acheson used him as a convenient trouble-shooter, to be dispatched on this or that mission, depending on the needs of the moment.

John Foster Dulles, though preserving the essentially Europe-focused priorities of his predecessors, was himself an ideologue, seeing in foreign policy the expression of a more basic world-wide philosophical confrontation with communism. He thus personally infused U.S. foreign policy with its doctrinal content, in addition to dominating individually much of its tactics. Dulles' planning chief, Robert R. Bowie, was relied on as a close counselor in current policy formulation, and he accompanied the Secretary on many of his most important missions. The planner thus helped to shape—and doubtless also to question—ongoing policy to an extent probably greater than at any time since the days of Secretary Marshall; but the large perspectives were defined by the Secretary himself.

It was said earlier that Kennedy was the first globalist President of the United States. By the early 1960's the European priority had receded; Asia increasingly absorbed American attentions; China,

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insurgency, underdevelopment, and instability—all diluted the Soviet Union's commanding position as the focus of U.S. fears and efforts. However, there was a gap between this new reality and its perception by American policy-makers. The new President, though eloquently evoking the world-wide humanitarian obligations of the United States, never crystallized a coherent set of operational principles, and much of American foreign policy operated as before, simply extending old doctrines to the new situations. Dean Rusk, the new Secretary of State, did not see himself either as a prophet or an architect. The conceptual void was not filled at the very top.

The initiative, accordingly, passed to the Policy Planning Council, especially when it was headed by Walt Rostow, a gifted political economist with a flair for ideological formulations. He played a major role in stimulating the new administration's interest in counterinsurgency and in regionalism as the focus of political-economic development. Nonetheless, despite the unusually talented leadership provided by Rostow and later by his successor, Henry Owen, the planning process during Secretary Rusk's tenure of office was probably more divorced from vital decisions than at any point since the establishment of the Policy Planning Council. Its chairman did not have the personal intimacy that Dulles maintained with his chief planner; the Secretary, unlike Marshall, never met with the council as a whole; even the element of tension, which characterized for a while Acheson's relationship with his top planner, was lacking. During the several major crises, such as the Cuban missile confrontation in 1962 or the Middle Eastern war of 1967, the Secretary of State did not draw his planning chief into the small circle of decision-makers. It was not accidental that the chief planner did not accompany the Secretary to major conferences abroad, nor did he participate in most top level discussions with foreign principals visiting Washington.

More generally, the Secretary showed a marked disinclination to engage in any searching discussions concerning the larger issues of foreign policy. He himself would not participate in them, and his top lieutenants were not encouraged to do so. The role that the United States should be playing in the new world of the 1960's or the 1970's was thus never explicitly crystallized, and discussions of this crucial subject within the Policy Planning Council never involved the Secretary himself and only very rarely some of his top associates. In its turn, the absence of a strong policy-oriented leadership at the top made it easier for the assistant secretaries to defend established regional policies and to evade challenges to prevailing orthodoxies emanating from the planners or from more impatient junior officers.

In the process, "purpose-planning," that is, an approach stressing the infusion of goals into foreign policy, gradually yielded to

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"problem-planning," that is, an approach emphasizing finding solutions to specific problems (in effect, the third of the five original assignments formulated in 1947). The natural inclination of geographical bureaus to pursue their own line was thereby fortified, with planning being considered as relevant whenever it helped to solve a current problem or whenever it turned up an idea that fitted ongoing policy.[1] Under the circumstances, planning increasingly tended to concentrate on developing in greater detail often very imaginative and valuable responses to specific problems, or in preparing lengthy "country papers" dealing in depth but somewhat uselessly with policy issues affecting individual countries. The Policy Planning Council thereby became a bureau of studies, performing in that capacity an important function, though rather different from that originally intended.[2]

IV. Comprehensive planning from above

More important than the question of original intent was the acutely felt need in the 1960's for some organ in Washington with a capacity to integrate meaningfully U.S. foreign policy, to define its character, and to relate it continuously to the changing pulse of the world at large. Improving the management of the State Department, a favorite subject of conversation in Washington, was not so urgent as the necessity to find some way of infusing foreign policy with content, so that it would lead from above and not merely perpetuate past policies or respond to circumstances. More effective management would follow almost automatically from more assertive policy leadership, which would impose a sense of direction on subordinates.

Policy-oriented leadership from above is, in the first instance, a matter of personality. The President or the Secretary of State personally has to provide that leadership and be intellectually so inclined. But in an age when the foreign policy of the United States has become global and the resulting problems are of unprecedented complexity, no one individual, however intellectually inclined, can alone formulate and integrate the necessary responses. The top policy-maker must therefore possess a planning mechanism organized in a manner functional to the task of assisting him in infusing

[1] It is symptomatic that in this writer's two years experience in the State Department, the Assistant Secretary of State for European Affairs simply refused to discuss the question whether the objective of U.S. policy was to detach East Europe from the Soviet Union or to bring both East Europe and the Soviet Union into a closer relationship with the rest of Europe.

[2] In that capacity, the Policy Planning Council prepared creative programs for family planning on an international scale; for developing the agricultural infrastructure of food-short countries; for world commodity agreements; for the Asian Development Bank; etc.

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foreign policy with a deliberately selected sense of purpose. Organizational change cannot be a substitute for intellectual content, but it can help to eliminate bureaucratic impediments to the translation into policy of intellectual insight. This requires both an upgrading and a reform of the existing planning arrangements.

The needed reform can be sought either within the existing institutional framework, or by creating a new structure altogether outside the State Department. The purpose of the first would be to tie planning more intimately to the Secretary of State personally and directly to his office. The purpose of the second would be to impose planning more broadly on the foreign policy activities of the U.S. government. In the first case, the personal and intellectual involvement of the Secretary of State would be the prerequisite for success; in the second, success would be sought through institutionalization of an arrangement that would certainly be resisted, at least initially, by several departments.

The Policy Planning Council

To attain the first objective, the Policy Planning Council must be reduced in size, upgraded in status, and closely related to the Secretary himself. The chairman of the Council must enjoy the personal confidence of the Secretary, and be considered by him to be a close adviser, concerned necessarily with the larger picture and not with all day-to-day affairs. The Secretary should therefore select someone whom he personally knows and whose judgment he respects even if he does not always follow it. The appointment should not be imposed on the Secretary by the President, as was the case with Rostow. It is essential, giving the workings of the Department of State, that this relationship of personal confidence be reflected somehow in status, perhaps by giving the chief planner a rank equivalent to Deputy Undersecretary. At present, the chief planner has a rank co-equal to the various geographical and functional Assistant Secretaries; in practice, this means that he has to wage an uphill battle to get his view across. Effective integration and innovative infusion should be a downward process, thereby altering the existing distribution of handicaps, if it is ever to overcome hierarchical, bureaucratic inertia.

The close relationship to the Secretary must also be reflected in other ways, all of more than symbolic importance. Physical access should not be routinized by being limited to an occasional discussion of planning papers, but should flow informally from the counseling relationship. One way of ensuring this would be to move the Policy Planning Council, or at least its chairman into the Secretary's suite, as was the case under Secretary Marshall, Moreover, it should be a matter of standard practice rather than an exception

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that the Secretary's planning chief accompanies him to the more important foreign conferences and similarly participates at meetings when foreign statesmen are visiting Washington. Unless this is done, the planner has no effective way of injecting his broader perspective into those important current decisions that necessarily create their own longer-range dynamic.

The change in the relationship of the chief planner to the Secretary and in the planner's status necessarily would require a change in the organization and status of the membership of the Policy Planning Council. It has grown over the years to a group of approximately twelve to sixteen senior officials, usually of the FSO-1 or FSO-2 rank. Though senior in rank, they have been generally professional career men, at the brink of either fulfilling their ultimate ambition—ambassadorial rank—or of reaching the end of the line —compulsory retirement. Their assigned planning responsibilities have roughly matched the geographic-functional organization of the department. Under these circumstances, there is naturally a strong tendency not to jeopardize needlessly important career relationships —and this does not imply a lack of integrity, but takes note of an important reality of organizational life. The effect, however, has been to reduce the inclination either to innovate or to challenge.

One way of coping with this difficulty would be to reduce by roughly one-half the size of the council, thereby weakening the direct connection between individuals and the different operational divisions of the department, and emphasizing the broad generalizing role of individual council members. Moreover, it would be desirable to adopt the practice of recruiting approximately one-half of the council from outside the career service, either from various planning institutes or academia, thereby diluting the membership's in-house character. Indeed, the significance of deliberate policy-planning and the status of council members in the over-all operation of foreign policy would be greatly enhanced if two or three years' service on the council came to be considered as the final preparatory stepping stone for subsequent appointment as a regional or functional Assistant Secretary. The Secretary might also be more inclined to meet regularly with a smaller and a more clearly senior body of this kind, and to participate occasionally in broadly focused discussions of principles and policies.

To overcome the inescapable danger that such a reduced and upgraded council would operate only in the rarefied atmosphere of higher policy, it would be useful to assign to each member at least one or two younger and promising Foreign Service Officers who would act as assistant members. Their specialized expertise would permit the individual planner to concentrate on broader policy and yet to undertake also, with the aid of his assistants, more specialized assignments. For example, a senior member with a broad interest

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in Asian (including Chinese) affairs, might be aided by assistants who are specialists, respectively, in Japanese economic development or Southeast Asian security problems. The introduction of younger officers into the council as assistant members would have the added benefit of encouraging the flow of ideas from below, thereby also somewhat reducing the frustration felt by many younger officers.

The development in depth of specific solutions or initiatives, as distinct from higher policy-planning, could also be delegated, on the initiative of the planners, to the department's Bureau of Intelligence and Research (INR). That bureau possesses excellent resources and a large staff and it performs an important service function with its flow of analyses, estimates, and intelligence reports. There is, however, a great deal of wasted effort involved in the production of very numerous analyses, the need for which could often be met as well, or even better, by the systematic dissemination of relevant commentaries and analyses reproduced from top foreign and American journals. It is striking to observe how few higher officials regularly read the foreign press, though often it offers more penetrating estimates than analogous government products. Systematic dissemination and, whenever necessary, translation of the more acute commentaries would free more time for some INR personnel to undertake, in consultation with the responsible planners, the preparation of more specific policy-oriented studies, thereby wedding, on the analogy with Research and Development, the creative idea with systematic application. This collaboration would not necessarily compromise the desirably "neutral" and "objective" character of INR research and analysis. All it would do is tap the rich expertise of its personnel and files in the preparation of more intensive studies, the policy thrust of which would be inspired somewhere else but the detailed preparation of which would no longer threaten to transform the Policy Planning Council into a bureau of studies.

The proposed reform would not solve the problem of the relationship of policy-planning in the State Department to that of other agencies, especially the Defense Department (with its own Assistant Secretary for International Security Affairs—ISA—as well as extensive weapon planning facilities) or the CIA. However, close personal linkage of the planning mechanism of the Department of State with the Secretary of State, if attained, would work to elevate the Policy Planning Council into a general staff for foreign affairs, thereby reinforcing also the Secretary's role as the President's principal adviser on all matters pertaining to foreign policy. But the success or failure of the reform would hinge chiefly on the degree to which the Secretary himself aspires to play the determining role in shaping the foreign policy of the nation.

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A council of international advisers?

A more ambitious reform, designed to integrate institutionally all foreign policy-planning, would go beyond the Department of State and involve the creation of an entirely new body, tied to the Executive Office of the President. It could be called the Council of International Affairs Advisers and be modeled on the President's Council of Economic Advisers. That council was created by the Employment Act of 1946 and its "chief responsibility is to keep the President fully informed on economic developments and emerging problems which may affect the Nation's economy. To meet this responsibility, the council continuously reviews economic conditions, undertakes special studies of particular problem areas, and makes recommendations concerning Government programs and policies. The council confers regularly with all major government agencies having responsibilities in the economic field."[3] To meet its responsibility, the chairman of the council, the Secretary of the Treasury, and the Director of the Bureau of the Budget (called the "Troika" in the council's 1967 report) "provide the President with a continuous joint assessment of the economic and budgetary outlook for the current and subsequent fiscal years, and, where appropriate, analyze the effects of alternative fiscal policies."

The Council of Economic Advisers consists of three members, appointed by the President with the advice and consent of the senate, with one of them designated by the President to be chairman. They are assisted by a highly trained professional staff of approximately fifteen to twenty people, a larger body of consultants, a smaller number of graduate student interns, and finally a nonprofessional staff.

A Council of International Affairs Advisers could be similarly organized, perhaps with a somewhat larger top membership than the CEA to permit representation of both career government officials and nongovernment specialists in international affairs; for example, it could have a membership of seven, backed by a professional staff of younger Foreign Service Officers and specialists from various RAND-type institutes and universities, and a nonprofessional staff. It would meet the need, noted by many experienced students of U.S. foreign policy, for "central coordination and direction, and a philosophy to make it work."[4] According to Lindsay, the functions of the new council would be:

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[3] *Economic Report of the President* (transmitted to the Congress January 1967) together with the Annual Report of the Council of Economic Advisers (Washington, D.C.: Government Printing Office, 1967), p. 205.

[4] Franklin A. Lindsay, "Planning and Foreign Affairs: The Missing Element," *Foreign Affairs*, January 1961, p. 290.

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to provide continuing leadership within the Government in the field of planning, to prepare overall plans, to allocate responsibility for more detailed plans to departments and agencies, to review the adequacy of their plans and see that approved plans are carried out. In all the operating departments and agencies, it should have small counterparts reporting directly to their agency heads but having day-to-day working contacts with responsible line officers, as well as with the central planning staff.

In short, the principal purpose of the new institution would be to promote the rational integration of all the diverse foreign policy planning operations of the U.S. government, thereby providing a broad overview of U.S. involvement in the world. The council would coordinate into a comprehensive political document the policy plans prepared by the ISA planning sector of the Defense Department; the various studies conducted by the military, particularly its Long-Range Technological Forecasts; the various scientific projections with foreign policy implications, such as some of the AEC studies; as well as the planning conducted within the USIA, AID, and the like.

The Council of International Affairs Advisers, furthermore, could be charged with preparing an annual "State of International Affairs" report for submission by the President to the Congress. The report could cover and interpret such matters as the current scale of international conflict, progress in promoting a peaceful order; changes in popular and official attitudes toward the United States; international arms programs; revolutionary tendencies; international economic affairs, aid and development; as well as more specific developments in the communist world and other areas. Such broadly gauged annual stock-taking would compel the government to take a more critical look at its own performance and to develop more regularized methods for assessing the effectiveness of its policies. In brief, the new body would do for over-all foreign affairs planning what the CEA has been doing in the sphere of economic policy.

The new body would absorb only some of the functions currently performed by the President's Special Assistant for National Security Affairs. It would not attempt to inject itself into ongoing policy nor serve as the President's liaison with the key departments involved in foreign affairs. It would not be involved in current matters as such, but would try instead to generate broad long-range policy integration currently not provided by any government institution. The Chairman of the Council of International Affairs Advisers, together with the Secretary of State, Secretary of Defense, the CIA Chief, and the President's Special Assistant, would be the "quintet" equivalent to the President's "troika" on economic matters.

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Such an arrangement, if implemented, would necessarily bring to the forefront a critical question: what would be the relationship between the Secretary of State and the chairman of the new council? Quite understandably, any Secretary of State would resent the intrusion by another organ into his domain of foreign affairs, but again much would depend on how a given Secretary of State interprets his own role. A passive Secretary, inclined to be preoccupied primarily with the managerial aspects of diplomacy, inescapably leaves broader policy-shaping to others; in the past, for example, the Secretary of Defense occasionally filled the resulting void. In that event, the new Council would have the desirable effect of strengthening the President's hand, making it more difficult for other departments, particularly Defense, to impose their more parochial perspectives on foreign policy. To an assertive Secretary, inclined to see himself as the actual architect of foreign policy, the new Council could be of help with regard to interpretative-analytical matters involving a longer-range perpsective and requiring integration of planning on a government-wide basis. In neither case should the Council interfere with departmental matters or ongoing policy decisions, and the Secretary would still be the President's first adviser on matters of foreign policy. The relatively harmonious experience of the "troika" in economic matters provides at least some ground for optimism with respect to foreign affairs.

V. Mobilizing planning resources

Whichever path is followed—and doubtless the more ambitious proposal would create some unanticipated problems—the need for sustained high level policy-planning has become all the more acute because of U.S. global involvement. That planning, in addition to internal institutional changes, will have to tap on an ever-increasing scale the various technological and intellectual resources of the country and apply them to the foreign policy process.

Computers will certainly become an important tool in integrating scientific data and in extracting from them relevant policy implications. For example,

> military technology embraces a wide spectrum: ordnance, logistics, protection, communications, medicine, toxics, detection, surveillance, environment, human factors, to mention a few major areas. But the basic and applied sciences feeding into these military technologies are even broader, perhaps as broad as almost all science and engineering. Research in power sources, for example, could change the configuration of ordnance systems as well as transportation systems. Research in lasers could change communication systems and/or anti-personnel weapons. Micrometeorology research for chemical warfare also applies to surveil-

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> lance, and so on. There can be a natural tendency for research and engineering sponsored under one technology to be forecast in terms of applications of that technology. There is also a tendency for forecasts to include only the currently justified and sponsored research and engineering. While these tendencies are natural and are always expected, they are prejudicial to the breadth of vision a forecast should ideally possess.[5]

The complexity of the data simply makes it impossible to establish the necessary correlations without reliance on electronic brains, at least as a point of departure for subsequent creative acts of human judgment and intuition.

Man-machine interactions are already being applied to military planning. The military planner, employing a remote console linked with a time-shaped computer program, can make reasonable estimates of optimum force structures under varying conditions, with the system highly sensitive to changes in any of the variables. Data banks can be set up, containing various "scenarios," available for retrieval at need, and then for redefinition and restorage.[6] This technique can be applied only with considerable caution to matters in which psychological-political-historical factors are preeminent, but it does offer some intriguing possibilities for systematizing hunches and guesses, by identifying and relating "high payoff" groups in the political process of various countries, and for setting up alternative models. As long as the planner remains conscious of the danger that rigid models can in fact mislead when applied to situations involving subtle human interrelationships, more orderly planning procedures—facilitated by the application of the recent advances in electronics—can vastly increase the range of our understanding of possible future developments.

Expert participation

Systematic consultation and contact with the country's intellectual community is also essential. This should not mean that academic consultants are called in to help decide policy. Their advice, coming

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[5] *Long-Range Forecasting and Planning.* A Symposium held at the U.S. Air Force Academy, Colorado, August 16–17, 1966, p. 25.

[6] "When military threats have been defined in detail, the planner may make requests to the data bnk to retrieve descriptions of systems which might be useful in meeting the needs of the United States Data retrieval systems are quite common these days, but the SPAD data bank and its associated retrieval system are to some extent unique in that the user may not only specify system characteristics but also may specify the mission task for which the system was designed; e.g., cold-war deterrence, and the systems associated with this task will be listed for him. This feature enables the strategist who is not intimately familiar with the contents of the data bank to see technical descriptions of systems relevant to his needs."; *ibid.*, p. 73. For a good general discussion of this problem, see pp. 70–84. SPAD refers to a project conducted by the Air Force Systems Command, *ibid.*, p. 68.

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from men detached from ongoing business and trying to recognize the complexity of things, is rarely useful to a policy-maker when he has to make a choice. What the policy-maker usually gets is either platitudes or affirmations of complexities. However, the intellectual experts can be more useful to the planners if asked to help, not through the advocacy of specific policies, but by defining more precisely the parameters of alternative courses of action and evaluating the consequences of alternative policies. Moreover, in these circumstances, the underlying values of the intellectual experts are less likely to interfere with their judgment. Unlike the values of the policy-makers, which are necessarily overt and exposed to the public by speeches and pronouncements, the values of the intellectuals tend to be more covert, shielded by claims to objectivity, though in fact equally strong and therefore necessarily affecting their explicit policy preferences. This factor has to be considered when drawing on their expert advice, and the process should be so structured that expertise—and not value judgments—are elicited.

The proposed Annual Report on International Affairs could serve as an important vehicle for mobilizing sustained thought, both within and outside the government. It could induce the institutionalization within the top levels of the government of the practice of holding more frequently broad reviews of the fundamentals guiding U.S. foreign policy. It could also create the needed link between the country's intellectual community and the government, even if initially through the process of confrontation, the likely production of private counter-reports, and the stimulation of debate. Foreign policy, as any other sustained activity, needs creative, focused, and rational debate. That debate can only take place if provided a model and a forum. Otherwise it becomes polemics, in which disagreement over policy becomes the expression of often unperceived conflicts of values.

The potential utility of greater expert participation in foreign affairs planning has been recognized by the government. Panels of expert advisers have been established in the various geographical bureaus of the Department of State. More could be done, however, to exploit the resources of the internationally oriented business corporations, perhaps by enlarging existing panels to include also business planners. The business community has much to offer in the way of longer-range vision and planning experience. It is today more internationalist than ever before, and it has proven itself to be highly inventive in planning and development. Businessmen have successfully applied a variety of long-range international forecasting techniques, both economic and political. Some international companies have been most imaginative in developing, for example, new sources of cheap and attractive synthetic foods, a matter of vital importance to the Third World. Others have been pioneering in the

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field of global communications, an area of vital political and ideological significance. International companies have been successful in creating a new cosmopolitan-internationalist business elite, in some ways in closer touch and more sensitive to changes abroad than professional diplomats. That new elite operates, much like the medieval aristocracy, above frontiers, languages, and traditions. Its intelligence, insights, and practical experience could without a doubt prove to be of great value, especially in the complicated development stage of various plans.

Foreign policy is perhaps the last important area of organized activity in the United States that still operates largely on the basis of combining the intuitive judgment of a few individuals with the traditional thrust of bureaucratic inertia generated by a large professional organization. Big business, academia, the military, and the scientists have all recognized the need and the merits of integrated, deliberate planning. The need for it is hardly less in foreign affairs. The danger of war through inadvertence, or because of irrationality induced by momentary stress, can be significantly reduced by sustained planning, which forces policy-makers to search in advance for alternative responses and to see immediate problems in a larger frame.

Foreign policy was a relatively simpler endeavor when its priorities were defined by history and geo-politics. In the second half of the twentieth century, history, confronted by changes so unprecedented that they disrupt the patterns of historical continuity, is no longer a safe guide. Traditional geographical and political priorities no longer are valid for a state that, whether it wishes it or not, reaches the entire world and is also the focus of the world's attention. In that setting, the deliberate charting of the future has to be the point of departure for purposeful and future-relevant action. This requires, above all else, a self-conscious intellectual effort to understand and to define the meaning of our reality; it calls for a conceptual rather than a purely pragmatic—and hence essentially reactive—approach. Foreign policy by momentum must yield to foreign policy by volition.

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THE FUTURE OF THE GHETTO: I

Alternatives to the gilded ghetto

JOHN F. KAIN
and
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WE ARE FACED today with a spate of proposals and programs for improving the ghetto through economic development, renewal, and reconstruction. The intellectual basis of many of these proposals stems from a false analogy of the ghetto to an underdeveloped country in need of economic development. This oversimplified and misleading view ignores the strong linkages that tie the ghetto to the remainder of the metropolis and to the nation. When the nature of these linkages and the complex relationship between the ghetto and metropolitan development is understood, the potential destructiveness of these proposals becomes apparent. In this article we attempt to describe these interrelationships and the ghetto's consequent culpability for an expanded list of urban problems.

The ghetto and the metropolis

If we begin with the usual list of "ghetto problems"—unemployment, low income, poor schools, and poor housing—it is easy to see the appeal of proposals aimed at making the ghetto livable. Moreover, casual observation of the slow pace of school desegregation, residential integration, and fair employment practices would indicate that the promise of integration and the gains achievable from

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the process are to be made only at an obscure point in the future. Thus, in the short run, the argument for ghetto improvement would have us view the ghetto as something of a community unto itself, a community that could substantially benefit from economic development and especially heavy investments of physical capital.

The weakness of this argument, however, is attested to by a growing body of evidence that indicates that (1) the above list of ghetto problems is much too short, because it ignores the serious implications of the growing ghetto for the metropolis as a whole and that (2) the ghetto itself is responsible for, or seriously aggravates, many of the most visible problems of urban Negroes.

The central Negro ghetto has produced a significant distortion of metropolitan development, which has added substantially to problems in central city finance, metropolitan transportation, housing, and urban renewal. The decline of central cities has been hastened by a conviction in the white community, both individual and corporate, that the ghetto would continue its rapid expansion, carrying along its associated problems of concentrated poverty and social disorganization.

Although historically lower income groups have tended to live in central cities, this residential pattern was the result of a highly centralized employment structure. Low income households, constrained by limited housing and transportation budgets, clustered tightly around the work places in the densest accommodations available. High income households, by contrast, with more disposable income and preferences for less congested living conditions, found it expedient to commute to suburban areas where land costs were lower. These lower housing costs in suburban locations more than compensated them for the time, inconvenience, and out-of-pocket costs of commuting. Today, it still remains true that low income households cluster more closely around their work places than do high income households. However, with the accelerating pace of suburbanization of industry and jobs—itself no doubt due partly to the ghetto's expansion—these jobs are found less frequently in cities. Thus the poor are found less frequently in the central city; it is mainly the Negro poor who are found there. The inference is inescapable; *central cities are poor largely because they are black, and not the converse.*

The residential locations of whites in similar income groups support this contention. This is clearly shown in Table 1, which gives the proportion of low income whites and Negroes living in the suburban rings of the ten largest metropolitan areas (Table 1 also includes data for all whites and Negroes). For example, 45 per cent of Detroit's poor white families live in suburbs, but only 11 per cent of its poor Negro families do so. These figures belie the argument that Negroes are concentrated in central cities because they

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are poor. This finding is consistent with the work of numerous researchers who have concluded that little of the existing pattern of Negro residential segregation can be explained by income or other socioeconomic characteristics. One of the authors of this article has elsewhere estimated that, on the basis of Negro employment locations and of low income white residential choice patterns, as many as 40,000 Detroit Negro workers and 112,000 Chicago Negro workers would move out of central ghettos in the absence of racial segregation.[1]

TABLE 1. *Per cent of White and Negro Families (Total and Poor) Living in the Suburban Ring of the Ten Largest Urbanization Areas**

		WHITE		NEGRO	
		ALL FAMILIES	FAMILIES WITH INCOMES $3,000	ALL FAMILIES	FAMILIES WITH INCOMES $3,000
1	New York	27.8%	16.3%	9.4%	8.2%
2	Los Angeles	65.2	61.6	27.3	23.3
3	Chicago	47.6	37.2	7.7	5.9
4	Philadelphia	50.8	37.4	15.7	14.2
5	Detroit	58.9	44.9	12.1	11.3
6	San Francisco-Oakland	57.8	48.8	29.2	25.8
7	Boston	74.3	64.0	19.2	13.9
8	Washington	75.7	59.6	9.8	10.4
9	Pittsburgh	70.5	63.3	29.4	27.1
10	Cleveland	59.2	39.3	3.1	2.4

* For New York and Chicago the suburban ring is the difference between the SMSA and central city. For all other cities it is the difference between the urbanized area and central city. Both San Francisco and Oakland are counted as central cities.

This residential pattern imposed on the Negro has led to an unduly large proportion of poverty-linked services being demanded of central cities. At the same time, the expansion of the ghetto has encouraged the exodus of middle income whites. The result has been rapid increases in local government expenditures and a severe constraint on the ability of central cities to raise revenues. Hence, the current crisis in city finances. Although the problem can be handled in the short run by various schemes of redistributing governmental revenues, a preferable long-run solution would involve a major dispersal of the low income population, in particular the Negro. Central cities will continue to have a high proportion of the poor as long as they contain a large proportion of metropolitan jobs. However, there is no rationale for exaggerating this tendency with artificial restraints.

[1] John R. Theyer, John F. Kain, and Martin Wohl, *The Urban Transportation Problem* (Cambridge, Mass.: Harvard University Press, 1965), pp. 164–165.

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Housing, transportation, schools

Housing segregation has also frustrated efforts to renew the city. At first sight the logic of renewal is strong. By offering federal subsidies to higher income whites locating within their boundaries, central cities have hoped to improve their tax base. The same logic underlies community efforts to woo industry. However, to the extent that these groups consider the city an inferior location, because of the existence of the ghetto, such subsidies will continue to fail. As long as the ghetto exists, most of white America will write off the central city. Spot renewal, even on the scale envisioned in the Model Cities program, cannot alter this basic fact.

In this context, even the small victories of central cities are often of a pyrrhic nature. So long as the central business district (CBD) manages to remain a major employment location, the city is faced with serious transportation problems, problems that would be substantially reduced if more of the centrally employed whites were willing to reside in the city. To a great extent, the CBD stakes its existence on an ability to transport people rapidly over long distances. Pressures for more expressways and high-speed rail transit are understandable—and yet both encourage the migration to the suburbs. The city must lose either way, so long as the ghetto is a growing mass that dominates the environment of its core and the development of its metropolitan area.

From the above argument, it is clear that the impact of the ghetto on the processes of metropolitan development has created or aggravated many of our most critical urban problems. These costs are borne by Negroes and whites alike. However, the same interaction between the ghetto and metropolis has produced other important distortions whose costs fall almost exclusively on the Negro community. The ghetto has isolated the Negro economically as well as socially. In the first place, the Negro has inadequate access to the job market. For him, informal methods of job search, common to low skilled employment, are largely limited to the ghetto. Jobs may be plentiful outside of the ghetto, yet he will know little or nothing of these opportunities. Moreover, the time and cost necessary to reach many suburban jobs, frequently compounded by the radial character of public transit services, often will discourage Negroes from taking or even seeking such jobs. Granted that the ghetto generates a limited number of service jobs, this effect is more than offset by the discriminatory practices of nonghetto employers. Research on the distribution of Negro employment in Northern metropolitan areas indicates the importance of these factors, by demonstrating that the proportion of Negroes in an area's work force is dependent on that area's distance from the ghetto and

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the racial composition of the surrounding residential neighborhoods. These distributional characteristics also affect the level of Negro employment. Estimates indicate that as many as 24,000 jobs in Chicago and 9,000 in Detroit may be lost to the Negro community because of housing segregation.[2] These figures are based on 1956 and 1952 data and may well underestimate the current situation. The continuing trend of job decentralization also may have aggravated the situation.

De facto school segregation is another widely recognized limitation of Negro opportunities resulting from housing market segregation. A large body of evidence indicates that students in ghetto schools receive an education much inferior to that offered elsewhere. Low levels of student achievement are the result of a complex of factors including poorly trained, overworked, and undermotivated teachers, low levels of per student expenditures, inadequate capital plants, and the generally low level of students' motivation and aspiration. This last factor is, of course, related to the ghetto's poverty and social disorganization.

The continued rapid growth of central city ghettos has seriously expanded the realm of *de facto* segregation and limited the range of possible corrective actions. For example, in 1952, 57 per cent of Cleveland's Negro student went to schools with more than 90 per cent Negro enrollment. In 1962, 82 per cent went to such schools. By 1965, Chicago, Detroit, and Philadelphia all had more than 70 per cent of their Negro students in these completely segregated schools.[3]

In addition to sharply curtailing Negro economic and educational opportunity, the ghetto is an important disorganizing force. It represents the power of the outside community and the frustration of the Negro. The sources of nourishment for many of the psychological and sociological problems too common to Negro Americans can be found here. Drug addiction, violent crime, and family disorganization all gain a high degree of acceptance, creating a set of norms that often brings the individual into conflict with the larger society. Kenneth Clark puts the case well: "The dark ghetto is institutionalized pathology; it is cronic, self-perpetuating pathology . . ." Although this pathology is difficult to quantify, it may well be the ghetto's most serious consequence.

In reviewing our expanded list of problems, it may seem that we have made the ghetto too much the villain. Physical segregation may have only been the not-so-subtle way to avoid discriminatory practices that might otherwise be rampant. Many ghetto prob-

[2] John F. Kain, "Housing Segregation, Negro Employment, and Metropolitan Decentralization," *Quarterly Journal of Economics*, LXXXII, No. 2 (May 1968), 175–197.

[3] U.S. Commission on Civil Rights, *Racial Isolation in the Public Schools* (Washington, D.C.: U.S. Government Printing Office, 1967), Vol. 1, p. 13.

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lems might still exist in some other guise. Nevertheless, the problems as structured *now* must continue as long as the metropolis harbors this "peculiar institution."

Nothing less than a complete change in the structure of the metropolis will solve the problem of the ghetto. It is therefore ironic that current programs which ostensibly are concerned with the welfare of urban Negroes are willing to accept, and are even based on, the permanence of central ghettos. Thus, under every heading of social welfare legislation—education, income transfer, employment, and housing—we find programs that can only serve to strengthen the ghetto and the serious problems that it generates. In particular, these programs concentrate on beautifying the fundamentally ugly structure of the current metropolis and not on providing individuals with the tools necessary to break out of that structure. The shame of the situation is that viable alternatives *do* exist.

Thus, in approaching the problems of Negro employment, first steps could be an improved information system at the disposal of Negro job seekers, strong training programs linked to job placement in industry, and improved transit access between central ghettos and outlying employment areas. Besides the direct effects of such programs on unemployment and incomes, they have the added advantage of encouraging the dispersion of the ghetto and not its further concentration. For example, Negroes employed in suburban areas distant from the ghetto have strong incentives to reduce the time and cost of commuting by seeking out residences near their work places. Frequent, informal contact with white coworkers will both increase their information about housing in predominantly white residential areas and help to break down the mutual distrust that is usually associated with the process of integration.

Prospects of housing desegregation would be much enhanced by major changes in urban renewal and housing programs. Current schemes accept and reinforce some of the worst aspects of the housing market. Thus, even the best urban renewal projects involve the government in drastically reducing the supply (and thereby increasing the cost) of low income housing—all this at great expense to the taxpayer. At best there is an implicit acceptance of the alleged desire of the poor to remain in central city slums. At worst, current programs could be viewed as a concerted effort to maintain the ghetto. The same observation can be made about public housing programs.[4] The Commission on Civil Rights in its re-

[4] Of the one-quarter million public housing units constructed by all city authorities, only 76, and these in only one metropolitan area, have been built outside central cities. U.S. Commission on Civil Rights, *op. cit.*, p. 24.

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port on school segregation concluded that government policies for low cost housing were "further reinforcing the trend toward racial and economic separation in metropolitan areas."

An alternative approach would aim at drastically expanding the supply of low income housing *outside* the ghetto. Given the high costs of reclaiming land in central areas, subsidies equivalent to existing urban renewal expenditures for use anywhere in the metropolitan area would lead to the construction of many more units. The new mix by type and location would be likely to favor small, single-family homes and garden apartments on the urban periphery. Some over-building would be desirable, the object being the creation of a glut in the low income suburban housing market. It is hard to imagine a situation that would make developers and renters less sensitive to skin color.

These measures would be greatly reinforced by programs that increase the effective demand of Negroes for housing. Rent subsidies to individuals are highly desirable, because they represent the transfer of purchasing power that can be used anywhere in the metropolitan area. Other income transfer programs not specifically tied to housing would have similar advantages in improving the prospects of ghetto dispersal. Vigorous enforcement of open housing statutes would aid the performance of the "impersonal" market, perhaps most importantly by providing developers, lenders, and realtors with an excuse to act in their own self interest.

Suburbanization of the Negro

Even in the face of continuing practices of residential segregation, the suburbanization of the Negro can still continue apace. It is important to realize that the presence of Negroes in the suburbs does not necessarily imply Negro integration into white residential neighborhoods. Suburbanization of the Negro and housing integration are not synonymous. Many of the disadvantages of massive, central ghettos would be overcome if they were replaced or even augmented by smaller, dispersed Negro *communities*. Such a pattern would remove the limitations on Negro employment opportunities attributable to the geography of the ghetto. Similarly, the reduced pressure on central city housing markets would improve the prospects for the renewal of middle-income neighborhoods through the operations of the private market. Once the peripheral growth of central city ghettos is checked, the demands for costly investment in specialized, long-distance transport facilities serving central employment areas would be reduced. In addition programs designed to reduce *de facto* school segregation by means of redistributing, bussing, and similar measures would be much more feasible.

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Although such a segregated pattern does not represent the authors' idea of a more open society, it could still prove a valuable first step toward that goal. Most groups attempting to integrate suburban neighborhoods have placed great stress on achieving and maintaining some preconceived interracial balance. Because integration is the goal, they feel the need to proceed slowly and make elaborate precautions to avoid "tipping" the neighborhood. The result has been a small, black trickle into all-white suburbs. But if the immediate goal is seen as destroying the ghetto, different strategies should be employed. "Tipping," rather than something to be carefully avoided, might be viewed as a tactic for opening large amounts of suburban housing. If enough suburban neighborhoods are "tipped," the danger of any one of them becoming a massive ghetto would be small.

Education is still another tool that can be used to weaken the ties of the ghetto. Formal schooling plays a particularly important role in preparing individuals to participate in the complex urban society of today. It greatly enhances their ability to compete in the job market with the promise of higher incomes. As a result, large scale programs of compensatory education can make important contributions to a strategy of weakening and eventually abolishing the Negro ghetto. Nevertheless, the important gains of such compensatory programs must be continually weighed against the more general advantages of school desegregation. Where real alternatives exist in the short run, programs consistent with this latter objective should always be chosen. It is important to note that truly effective programs of compensatory education are likely to be extremely expensive and that strategies involving significant amounts of desegregation may achieve the same educational objectives at much lower costs.

Bussing of Negro students may be such a program. Like better access to suburban employment for ghetto job seekers, bussing would weaken the geographic dominance of the ghetto. Just as the informal experience of integration on the job is an important element in changing racial attitudes, integration in the classroom is a powerful learning experience. Insofar as the resistance of suburban communities to accepting low income residents and students is the result of a narrow cost-minimization calculus that attempts to avoid providing public services and in particular education, substantial state and federal subsidies for the education of low income students can prove an effective carrot. Title I programs of the Elementary and Secondary Education Act of 1965 and grants to areas containing large federal installations are precedents. Subsidies should be large enough to cover more than the marginal cost of educating students from low income families, and should make it *profitable* for communities and school districts to accept such

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students. The experience of the METCO program in Boston strongly suggests that suburban communities can be induced to accept ghetto school children if external sources of financing are available.

Because the above proposals would still leave unanswered some immediate needs of ghetto residents, a strong argument can be made for direct income transfers. Although certain constraints on the use of funds, for example rent supplements, might be maintained, the emphasis should be on providing resources to individuals and not on freezing them into geographic areas. The extent to which welfare schemes are currently tied to particular neighborhoods or communities should be determined, and these programs should be altered so as to remove such limitations on mobility. Keeping in mind the crucial links between the ghetto and the rural South, it is essential that the Southern Negro share in these income transfers.

The ghetto and the nation

Although there are major benefits to be gained by both the Negro community and the metropolis at large through a dispersal of the central ghetto, these benefits cannot be realized and are likely to be hindered by programs aimed at making the ghetto a more livable place. In addition to the important objections discussed so far, there is the very real possibility that such programs will run afoul of major migration links with the Negro population of the South. A striking example of this problem can be seen in the issue of ghetto job creation, one of the most popular proposals to improve the ghetto.

Although ghetto job creation, like other "gilding" programs, might initially reduce Negro unemployment, it must eventually affect the system that binds the Northern ghetto to the rural and urban areas of the South. This system will react to any sudden changes in employment and income opportunities in Northern ghettos. If there are no offsetting improvements in the South, the result will be increased rates of migration into still restricted ghetto areas. While we need to know much more than we now do about the elasticity of migration to various economic improvements, the direction of the effect is clear. Indeed it is possible that more than one migrant would appear in the ghetto for every job created.[5] Even at lower levels of sensitivity, a strong wave of in-migration

[5] Casual empirical evidence on this point is provided in a recent article in the *Washington Post* (February 16, 1968): "Job Scheme Backfires in Detroit." In response to a job creation program for the hardcore unemployed, the Detroit Urban League reported out-of-city job seekers using their employment facilities were up 9 to 12 per cent over 1966.

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could prove extremely harmful to many other programs. The South in 1960 still accounted for about 60 per cent of the country's Negro population, more than half of which lived in nonmetropolitan areas. In particular, the number of *potential* migrants from the rural South has not declined greatly in recent years. The effect of guaranteed incomes or jobs available in the metropolitan ghetto can be inferred from an analysis of the patterns of migration from the South.

Historically, the underdeveloped nature of the Southern region has proven a spur to the migration of *both* whites and Negroes. What recent progress has been achieved is overwhelmingly "whites only." The 1950's were the first decade in this century in which there was net white in-migration to the Southern region as a whole. This change is very likely the result of the expansion of industrial activity throughout the South and particularly its border areas. White male agricultural employment losses of about 1 million were more than offset by strong gains in manufacturing, wholesale and retail trade, and professional and related services. By way of contrast, Negroes concentrated in the slowest-growing and most discriminatory states of the Deep South showed no major gains to offset the almost 400 thousand jobs lost in agriculture. Thus, despite rapid contraction of the agricultural sector, 1960 still found 21 per cent of all Southern Negro males employed in agriculture as compared to 11 per cent of Southern whites. It is not surprising, in terms of this background, that nearly 1.5 million Negroes (net) left the South in the 1950's.

The major result of the massive migrations of the 1940's and 1950's was to make the metropolitan areas of the North and West great centers of Negro population. In 1940 these areas accounted for only 20 per cent of all Negroes in the country, whereas in 1960 37 per cent of all Negroes lived in these same areas. Moreover, statistics on the migration of Negroes born in Southern states indicate a definite preference for the largest metropolitan areas of the country over smaller cities.

Developing the South

Some appreciation for migration's contribution to the growth of Northern ghettos is provided by a comparison of the components of Negro population increase. Fifty-four per cent of the 2.7 million increase in Northern Negro populations from 1950 to 1960 was accounted for by net in-migration of Southern Negroes. Although the data on more recent population changes are scanty, the best estimates suggest that Negro net migration from the South has been averaging about 100,000 per year for the period 1960 to 1966. It therefore appears that the contribution of Southern migra-

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tion to the growth of Northern ghettos, even though it may now be on the decline, remains substantial.

The pattern of Negro migration is in sharp contrast with the pattern of white out-migration from the same areas of the South. Thus, there are about 2.5 million Southern born whites and 2.5 million Southern born Negroes in non-Southern metropolitan areas greater than a million, but 1.42 million whites and 4.2 million Negroes in non-Southern cities of 250,000 to a million. Cities greater than 250,000 account for 89 per cent of Negroes who have left the South, but only 60 per cent of whites. The framework of opportunities presented to the individual Negro migrant is such as to increase the desirability of a move out of the South and to stress the comparative desirability of large cities as against rural areas and medium-sized cities.

Although the differential in white and Negro migration is clearly related to differential economic opportunity, the over-all level of Southern out-migration must be ascribed to the underdeveloped nature of the region. A more rapid pace of Southern economic development could change these historic patterns of Negro migration. Tentative research findings indicate that both manufacturing growth and urbanization in the South reduce Negro out-migration. Although the holding effect of these changes is not so strong for Negroes as for whites, the difference between the two responses can be substantially narrowed. If development took place at a higher rate, the job market would tighten and thus encourage Negroes to stay. Moreover, the *quid pro quo* for large scale subsidies for Southern development might be strong commitments to hire Negro applicants. A serious program of Southern development is worthwhile in its own right as a cure to a century of imbalance in the distribution of economic activity in the nation. From the narrow viewpoint of the North, however, the economic development of the South can play a crucial role in providing leverage in the handling of metropolitan problems.

Belated recognition of the problems created for Northern metropolitan areas by these large-scale streams of rural migration have led in recent months to a large number of proposals to encourage development in rural areas. Not surprisingly the Department of Agriculture has been quick to seize the opportunities provided. A "rural renaissance" has been its response. Full-page advertisements headed, "To save our cities, We must have rural-urban balance," have appeared in a large number of magazines under the aegis of the National Rural Electric Cooperative Association. These proposals invariably fail to recognize that Negro migration from the rural South differs in important respects from rural-urban migration and has different consequences. Failing as they do to distinguish between beneficial and potentially disruptive migra-

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tion, these proposals for large-scale programs to keep people on the farms, everywhere, are likely to lead to great waste and inefficiency, while failing to come to grips with the problem that motivated the original concern.

Improving skills

A second important approach to easing the pressure on the ghetto is to improve the educational and skill level of incoming migrants. An investment in the under-utilized human resource represented by the Southern white and Negro will pay off in either an expanded Southern economy or a Northern metropolitan job market. Indeed, it is just this flexibility that makes programs oriented to individuals so attractive in comparison to programs oriented to geography. To the extent that a potential migrant can gain skills in demand, his integration into the metropolis, North or South, is that much eased. In light of these benefits, progress in Southern schools has been pitifully slow. Southern Negro achievement levels are the lowest for any group in the country. Southern states with small tax bases and high fertility rates have found it expedient in the past to spend as little as possible on Negro education. Much of the rationalization for this policy is based on the fact that a large proportion of Southern Negroes will migrate and thus deprive the area of whatever educational investment is made in them. This fact undoubtedly has led to some underinvestment in the education of Southern whites as well, but the brunt has been borne by the Negro community.

Clearly it is to the advantage of those areas that are likely to receive these migrants to guarantee their ability to cope with an urban environment. This would be in sharp contrast to migrants who move to the ghetto dependent on the social services of the community and unable to venture into the larger world of the metropolis. Nor are the impacts of inadequate Southern education limited to the first generation of Negro migrants. Parents ill-equipped to adjust to complex urban patterns are unlikely to provide the support necessary for preparing children to cope with a hostile environment. The pattern can be clearly seen in the second generation's reaction to life in the ghetto. It is the children of migrants and not the migrants themselves who seem most prone to riot in the city.

Thus, education of potential migrants is of great importance to both the North and South. The value of the investment is compounded by the extent to which the over-all level of Negro opportunity is expanded. In the North, this is dependent on a weakening of the constricting ties of the ghetto. In the South it depends on economic development per se.

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Concluding thoughts

This article has considered alternative strategies for the urban ghetto in light of the strong economic and social link of that community to the metropolis in which it is imbedded and to the nation as a whole. In particular the analysis has centered on the likely repercussions of "gilding programs."

Included prominently among these programs are a variety of proposals designed to attract industry to metropolitan ghettos. There have also been numerous proposals for massive expenditures on compensatory education, housing, welfare, and the like. Model cities programs must be included under this rubric. All such proposals aim at raising the employment, incomes, and well-being of ghetto residents, *within* the existing framework of racial discrimination.

Much of the political appeal of these programs lies in their ability to attract support from a wide spectrum ranging from white separatists, to liberals, to advocates of black power. However, there is an overriding objection to this approach. "Gilding" programs must accept as given a continued growth of Negro ghettos, ghettos which are directly or indirectly responsible for the failure of urban renewal, the crisis in central city finance, urban transportation problems, Negro unemployment, and the inadequacy of metropolitan school systems. Ghetto gilding programs, apart from being objectionable on moral grounds, accept a very large cost in terms of economic inefficiency, while making the solution of many social problems inordinately difficult.

A final objection is that such programs may not work at all, if pursued in isolation. The ultimate result of efforts to increase Negro incomes or reduce Negro unemployment in central city ghettos may be simply to induce a much higher rate of migration of Negroes from Southern rural areas. This will accelerate the already rapid growth of black ghettos, complicating the already impressive list of urban problems.

Recognition of the migration link between Northern ghettos and Southern rural areas has led in recent months to proposals to subsidize economic development, educational opportunities, and living standards in rural areas. It is important to clarify the valuable, but limited, contributions well-designed programs of this kind can make to the problems of the metropolitan ghetto. Anti-migration and migrant improvement programs cannot in themselves improve conditions in Northern ghettos. They cannot overcome the prejudice, discrimination, low incomes, and lack of education that are the underlying "causes" of ghetto unrest. At best they are complementary to programs intended to deal directly with ghetto prob-

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lems. Their greatest value would be in permitting an aggressive assault on the problems of the ghetto—their role is that of a counterweight which permits meaningful and large scale programs within *metropolitan* areas.

What form should this larger effort take? It would seem that ghetto dispersal is the only strategy that promises a long-run solution. In support of this contention we have identified three important arguments:

1. None of the other programs will reduce the distortions of metropolitan growth and loss of efficiency that result from the continued rapid expansion of "massive" Negro ghettos in metropolitan areas.
2. Ghetto dispersal programs would generally lower the costs of achieving many objectives that are posited by ghetto improvement or gilding schemes.
3. As between ghetto gilding and ghetto dispersal strategies, only the latter is consistent with stated goals of American society.

The conclusion is straightforward. Where alternatives exist, and it has been a major effort of this article to show that they do exist, considerable weight must be placed on their differential impact on the ghetto. Programs that tend to strengthen this segregated pattern should generally be rejected in favor of programs that achieve the same objectives while weakening the ghetto. Such a strategy is not only consistent with the nation's long-run goals, but will often be substantially cheaper in the short run.

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THE FUTURE OF THE GHETTO: II

"Third Worlds" abroad and at home

ALBERT and ROBERTA WOHLSTETTER

THE term, "colonialism," it is easy to illustrate, is a rich and varied source of metaphor for the situation of the Negro in the United States. The metaphor is used not simply by advocates of Black Power, but also by civil rights moderates and some leading social scientists who wish to point up difficulties in communication between whites and nonwhites as well as the disparity in status, power, and rewards. For Kenneth Clark, "The dark ghettos are social, political, educational and—above all—economic colonies." And Nathan Glazer and Daniel P. Moynihan write:

> Just as in underdeveloped countries governments insist that the foreign investor take on a certain proportion of native employees, so have the political organizations of Harlem insisted that the Jewish storekeeper have Negro salesmen. They lack only the ultimate power of expropriation, but if they did, Jewish and other white business might fare as badly in Harlem as the American investments in Mexican oil, or in Cuba.
>
> We can press our colonial analogy a bit further. For, if the Jews, in an earlier parallel to colonialism, may be seen as exploiters, they are also paralleling the later development of colonialism, those who help and assist the deprived group.

A metaphor is useful in good part because it is evocative. However, that of "colonizer" and "colonized," of the investor as ex-

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ploiter, evokes a cloud of ideologies of economic development—ideologies that may blur analysis of the actual problem of improving the status of the Negro in the United States, and may suggest some highly questionable remedies that emphasize economic and political autarky in the ghettos. This is not to say, of course, that such men as Kenneth Clark, who use the metaphor, necessarily draw these conclusions. On the contrary, Clark regards the autarkies suggested by Black Power advocates as a romantic throwback to Booker T. Washington. But there is no doubt that Black Power advocates are led naturally to such remedies by the colonial metaphor and by anticolonialist rhetoric. The two-nation metaphor of "colony" and "colonizer" suggests the importance of freeing one from the other. For militants, it implies an antagonism of interest best handled by making the separation more complete and violent. And not only for militants. Such analogies in half-conscious form are much more widespread. A Hollywood movie being filmed this year in the Cleveland ghetto by Jules Dassin is based on a scenario brought up to date from Liam O'Flaherty's *The Informer*, a story of the Irish Republican Army and the struggle that eventually led to the establishment of Eire.

The analogy of relations between a less developed and developed country need not, of course, imply irreconcilably conflicting interests. But the metaphor is vague and does usually evoke these associations. Yet if we turn from metaphor to analysis, the conclusions may be quite different.

The international transactions model

For example, Gary Becker in *The Economics of Discrimination* has an analytic model of the two American "societies," white and nonwhite. In this pioneering study of the economics of discrimination, he applies the theory of international trade rather than the rhetoric of imperialism in order to evaluate the effects of prejudice and nepotism on the incomes of different domestic groups. His white and nonwhite "societies" trade capital and labor, factors of production used in making commodities rather than the commodities themselves. The "white society" exports capital, which it has in relative abundance, and the nonwhites export labor. In discriminating, one group acts as if it were willing to forfeit income in order to avoid transaction with a member of another group, and the magnitude of discrimination is reflected in the amount of income forfeited. In other literature on discrimination, it is widely assumed that the loss imposed on nonwhite laborers is a net gain for white employers—that is, that the loss to nonwhites equals the gain to whites, that the continuance of discrimination is in the interest of the employer. If this were true, there would in fact be no

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basis in economic self-interest for an adjustment of the differences between whites and nonwhites. What would be involved would be purely a redistribution of income. Becker's theoretical analysis of transactions among groups, however, does not presuppose that the interests of these groups are strictly incompatible. Rather, the convergence and divergence of the various interest groups are a subject for analysis.

His analysis concludes that the return to (1) white labor and (2) nonwhite capital does indeed increase as the result of discrimination—*but* the return to (3) white capital and (4) nonwhite labor decreases by an even greater amount, so that the net over-all aggregate return to all factors in both societies declines (i.e., the aggregate net income of the white and nonwhite "societies" is reduced by discrimination); and, finally, that if the minority responds to discrimination by withdrawing into complete economic separation, it worsens the discrimination and its own absolute and relative income.

Becker's model, like any theory, simplifies; and as might be expected in a pioneering effort, it makes some truly drastic simplifications.[1] The model and his discussions of it, moreover, have some unclarities: it is not always plain whether Becker is saying that there is a net loss due to discrimination in the aggregate product of the two societies taken together—i.e., that the white gain is positive but smaller than the black loss—or whether he is saying that the white society taken as a separate subaggregate suffers a net loss. Even in the first case, however, the argument for reducing discrimination has a greater appeal to the self-interest of whites than if the relationship between whites and nonwhites were truly that of a zero-sum game (in which one side can win only what the other loses). Moreover, that not merely redistribution, but a potential increase in the aggregate product are involved is a matter of some importance: discrimination against Negroes is greater in the South than it is in the North and West; the ratio of nonwhite to white incomes is lower there; yet whites as well as nonwhites receive less income than their Northern counterparts. Greater "exploitation" does not make the Southern whites better off than Northern whites.

Despite their simplifications, such models as Becker's may catch essential features of the realities of discrimination and separation, for example, the effects of "retaliation" by economic minorities. Thus, it is clear that increasing the separation does not help the minority; the American Indians are more separate than Negroes from whites—and have even lower incomes. Becker's model further

[1] Among other things, Becker's model is a static equilibrium model; it assumes simple production functions, homogeneous in the first degree, constant tastes for discrimination.

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suggests that discrimination is very unstable in the long run because firms employing Negroes tend to prosper more than firms that don't, because the former can purchase their labor at lower money cost.[2]

A model such as Becker's is plainly more hopeful for reducing discrimination within the framework of the American economy than the belief that white society as a whole has a net interest in discrimination. We shall return to this subject in discussing ghetto autarky. Our point here is that a parallel between the transactions among disparate domestic groups on the one hand and among disparate nations on the other may suggest policies of reducing *or* increasing the transactions, depending on the theory of development, capital transfer, and trade implicit in the analogy. In and of itself, the international transaction analogy may illuminate, inspire, obscure, discourage, incite, or simply entertain.

All of the above looks at the nation as the world in small. But metaphors of the world as a disordered nation writ large also play a role in current discussion.

Internal race war and world conflict

The enormous gap in per-capita income between countries in the Third World and the industrialized countries suggests parallels between problems of economic development overseas and those of closing the economic gap between American Negroes and American whites. The parallel moreover is reinforced emotionally by the fact that, as Gunnar Myrdal and many others have pointed out, "all the rich countries are white or predominantly white, while almost all poor countries are colored."

This coincidence of color and per-capita income differences carries with it the danger that the two may be confounded. Myrdal himself has been concerned about the coupling of charges of "racialism" and "imperialism" in statements by representatives of the Third World at international conferences, and by the "infusion of the race issue into the international class struggle." Stokely

[2] Becker's model needs complication here. It does not explain the actual long-term persistence of discrimination in an economy of employers maximizing profits; and, on the other hand, it suggests that white employers who hire Negroes only will make out best of all and in this way implies a tendency toward a special kind of segregation. These aspects of Becker are altered by Finis Welch in an economic model focusing on discrimination by other employees: psychic or real costs in the working together of different races only partially offset the complementarity effected by different amounts of education; hence some integration. Like Becker's, the Welch model is highly simplified and has some difficulties of its own. However, neither implies strictly opposed race interests. In both, transactions can add to the net social product. On the other hand, because even in such simple models, *some* may gain from discrimination (and in somewhat more complicated models, some gain from discrimination, others may be unaware that they lose, and still others may be irrationally inert) attempts to reduce discrimination will continue to meet resistance.

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Carmichael, of course, does fuse the race problem with that of closing the gap between rich and poor countries, and fuses both with the problem of liberating minorities in the United States:

> For a century, this nation has been like an octopus of exploitation, its tentacles stretching from Mississippi and Harlem to South America, the Middle East, southern Africa, and Vietnam; the form of exploitation varies from area to area but the essential result has been the same—a powerful few have been maintained and enriched at the expense of the poor and voiceless colored masses.

Liberals today are turning quite rapidly from foreign concerns to the domestic crisis. But the minority in that crisis continues to have a kind of foreign concern and interest. It is not indifferent to the present hardships and future development of the poor nonwhite countries. (Thus Coretta King and Floyd McKissick agree that the American failure to aid Biafran children is one more example of white racism.) The radical minority may, however, think of the poverty of these countries as the result of exploitation by Western governments and specifically by the United States. Although most liberals in the United States at this time may use the metaphor of an underdeveloped nation within the United States as a reason for turning away from the troubles of more distant, underdeveloped countries, in order to deal with our own, radicals may think of a common struggle in which the colony inside and the colonies outside will liberate themselves simultaneously from the American Establishment Octopus.

Wars of independence

For militants (and the New Left), sympathetic identification with the Third World seems particularly clear in the case of Africa, Cuba, and Vietnam. The involvement with Africa needs the least comment. There has, of course, been a long history among American Negroes of denial as well as affirmation of the connection. Marcus Garvey's Back to Africa movement of the 1920's petered out, without much evident residue and without any return to Africa. The Negro American was and is irreversibly American. Still, things have changed since the 1920's. Contemporary Africa and the contemporary Negro American are something else again. The black African is now a citizen of an independent state and is no longer ruled by whites. He is an actor on the world scene, and highly visible in New York at the United Nations. His right to respect is jealously guarded by protocol officers in the State Department intent on protecting him against the indignities inflicted on American Negroes by prejudiced whites. The irony of this situation is fully appreciated by American Negroes. Malcolm X advised:

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> Just stop being a Negro. Change your name to Hoogagagooba. That'll show you how silly the white man is. You're dealing with a silly man. A friend of mine who's very dark put a turban on his head and went into a restaurant in Atlanta before they called themselves desegregated. He went into a white restaurant, sat down, they served him, and he said: "What would happen if a Negro came in here?" And there he's sitting, black as night, but because he had his head wrapped up the waitress looked back at him and says: "Why, there wouldn't no nigger dare come in here."

The American Negro, descendant of whites as well as blacks, may find when he is in Africa, as Harold Isaacs tells us, that he is regarded as white and foreign. But he often feels a bond with the continent of his origin and, even more, there is some similarity between his desire for equal status with whites in America and the successful emergence of the black African from under the rule of white Europeans. Therefore, Malcolm X, who juxtaposed bullets and ballots, placed a good deal of importance on the fact that each of the new African countries had one vote in the United Nations just like the United States (even though electoral politics in the United Nations influence world affairs substantially less than ballots in the United States affect domestic events).

In more recent times, one of the heroes of the black militants has been the late Frantz Fanon, the Negro psychoanalyst who took part in the North African revolutionary movement. Born in Martinique, a Caribbean Negro, Fanon's origins in the West Indies link him to a part of the world from which a rather large proportion of political militants among Negroes in the United States have come. He inspires much of the doctrine of Black Power, as Carmichael and Hamilton formulate it. Even when they present Black Power as a kind of pluralist doctrine of bargaining and incremental change, they clothe it in Fanon's apocalyptic rhetoric of a total new beginning.

Cuba is the Caribbean country, of course, that provides some of the readiest symbolism: in Arevalo's phrase, a small sardine next to the American shark. For militants who keep being reminded that Negroes make up only 10 or 11 per cent of the population of the United States and so must find some accommodation, form some coalitions, it provides an example of the possibility of triumphing over numbers. Cuba's population today is 8 million compared to the 200 million of the United States, to the 240 million in the Soviet Union, to the three quarters of a billion Chinese. Castro has defied them all, but in particular the United States. Moreover, his history seems to have been a continual defiance of numbers: from his 178 raiders against the whole of the Moncada barracks in 1953, his crew of 80 on the *Granma* in 1956, the handful of survivors of the *Granma* who outwitted Batista's pursuing army in the Sierra

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Maestra, his rebel army that reached 300 men at a maximum on the last official Cuban count before it descended to take power and be joined by many enthusiasts. Castro does not shrink from projecting into the future his example of what a minority can accomplish. He summed it up on July 26, 1960:

> Here, facing the unconquered mountain range, facing the Sierra Maestra, let us promise one another that we shall continue to make our fatherland an example that will make the Andes mountain range into the Sierra Maestra of all America.

Part of the usual explanation by Castro sympathizers of the seemingly magical victory against Batista was the rot and corruption inside the shell of Batista's political and military structure. Similarly, the failure of the Bay of Pigs invasion is explained by the decaying power that had to depend on "mercenaries." It is assumed that under the pressure of organized black guerrillas, the rotten United States establishment will fall too.[3]

So far as Malcolm X was concerned, the allegiance of Negro militants in the United States is quite clear: "you don't see any anti-Castro Cubans around here—we eat them up." And long before the cultivation of Stokely Carmichael at the LASO Conference, Castro beamed his incitements to revolt at the American Negro. The American Negro, Robert Williams, a member of the extremist Revolutionary Action Committee, until recently conducted a series of broadcasts from Havana to the United States. And when Castro made his second state visit to the United Nations with a large party of Cuban comrades, he moved with great ostentation to the Hotel Theresa in Harlem, leaving an East Side white hotel wrecked from barbecuing chickens in the living room, in a sequence that had been planned well before he left Cuba. Castro and Guevara have been in communication not only with the Black Muslim movement here, but have been actively engaged in the training of African guerrillas and in the organization of guerrilla wars in Africa. Guevara's contribution to guerrilla war doctrine, with its emphasis on the fact that the objective conditions for revolutionary success need

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[3] Castro, moreover, has made much of a new emancipation of the Negro in Cuba, drawing a dramatic contrast between Batista's Cuba and his own. In fact, Batista was a mulatto of lower class origin, as were many of his cronies, and some of his generals were Negroes. Castro's movement, in contrast, was largely white middle class; his first cabinet represented a shift to lily whites. (As in the case of some other Caribbean countries, the society before Castro was to a considerable extent multiracial. But a main difference affected the exclusive clubs and private beaches. The Right to Swim on the Beach was one of Castro's revolutionary slogans that might have puzzled European Marxists —but it is quite intelligible to American Negroes.) The leadership of the anti-Castro Cubans includes Negroes. Olveira, one of the major figures in the Bay of Pigs invasion, is a Negro, but Castro in his series of widely publicized personal interrogations of the Bay of Pigs prisoners chose not to question Olveira on television.

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not all be present but can be created by the guerrilla revolutionary himself, has a special appeal to rebels facing great odds. And Guevara, dead or alive, cuts a romantic figure.

But in recent times the agonizing war in Vietnam, more than anything else and for a wider range of civil rights militants, has tended to fuse the cause of civil rights with the fate of a guerrilla movement—not only for SNCC and CORE in their Black Power phase, but even for Martin Luther King's and Ralph Abernathy's Southern Christian Leadership Conference. (In some cases, this has been widened in a surprising way to include supporting National Liberation struggles even in such countries as Betancourt's and Leoni's Venezuela, where the democratic left has won elections twice in a row.) It might almost be said that Vietnam tends to displace problems of domestic civil rights among civil rights activists as much as in the American government. And the growing extremism in American politics is visible in the unmeasured and violent language that has been observed by Nathan Glazer: charges of "genocide" by the Government of the United States in Vietnam coincide with charges that genocidal preparations are being made to control the summer riots here. They fit, Glazer notes, a situation in which

> public housing projects are called "prisons," poverty is labelled "slavery," disrespectful language becomes "brutality," the demand for better living conditions becomes the call for "liberation" and "freedom." And men are willing to do things for liberation and freedom that they probably would not do for higher welfare payments.

In this situation, black militants apply the label "genocide" to programs for family planning in the ghetto: one more parallel to some of the ideologists in less developed countries, who have charged that foreign aid programs furthering birth control have genocidal intent.

Reverse feedback

Ernesto Betancourt (an economist in the Organization of American States, and an early associate of Castro who was with him until the end of 1959) has talked recently of another connection between civil disorders in the United States and national liberation fronts overseas. This feedback runs the other way, from the United States to overseas. Liberation fronts are doing poorly in Latin America, even though they face less insuperable obstacles to acquiring power than those confronting a group that, by its own definition in ethnic terms, cannot in the United States be universal or a majority. It appears, according to Betancourt, that the fact that Carmichael and Rap Brown can talk of revolution and guerrilla war against such impossible odds is a spur to revolutionaries in Latin America.

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Our domestic racial inequities and the civil disorders associated with them affect not only the Third World. They also influence our European allies and their publics. Internal disorder and violence suggest an unexpected political weakness in the American giant on which West Europe depends for nuclear protection. The inequities at the root of the violence diminish the United States as (hopefully) a splendid example of democratic government. And it is almost beside the point that Europeans and Australians and New Zealanders are in no position to cast the first stone. The advanced countries in Europe and Oceania are, of course, a highly exclusive residential preserve for whites, and this is the result of a deliberate immigration policy even more restrictive than our own. When an Englishman or a Frenchman points to the superior position of the Europeans on racial problems, he is likely to be unconscious of this fact (except intermittently, as in the case of the recent restrictions on immigration into France from Algeria, or the bitter debate over the tightening of entry into Britain by holders of British passports of Indian ancestry coming from Kenya). So, for example, the British journalist William Clark:

> the United States is prevented from achieving a wholly satisfactory relationship with the *tiers monde* because America itself is reft by the clash of color which is part of the world scene. Europe, inoculated by its colonial experience, seems likely, in spite of Algeria and Rhodesia, to be spared an internal color problem.

"Inoculation" may hardly be the word. But even if the right word is "anesthetic," the fact remains that other advanced industrial countries are shocked at American racial inequities and disorders. They tarnish the image of the United States, decrease public support of these governments for moves in support of American policy, and furnish one more example of the connection between domestic and foreign policy processes.

The new isolationism and ghetto independence

Proposals for transferring power to the Negro community might be an important part of the process of integrating the Negro into American life. But they can also signal a white desire to be rid of the black problem, to let the blacks take care of themselves. A white withdrawal from responsibility, as Kenneth Clark, Bayard Rustin, and others have pointed out, is perfectly matched by black separatism. There are analogies on the international scene.

Some variants of the new isolationism hope for regional balances of power in the Third World, to be achieved, if possible, exclusively among countries inside the region. It is hoped that such local balances will be stable and self-sufficient subsystems in the international system. Though some forms of regional self-help are useful

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and some may be imperative, this sort of regionalism, in its increasingly popular, extreme form, amounts to a hope that the white countries of Europe and North America may wash their hands of the sordid, turbulent mess in the colored world. Part of the process of decolonization had such motives, as an anticolonialist such as Frantz Fanon perceived. (Fanon cites the overtones of bestiality in De Gaulle's references to the "yellow multitudes" and François Mauriac's "black, brown and yellow masses which soon will be unleashed.")

Though frequently inept, the developed countries' current support for economic development of the Third World and for its physical security differs greatly from colonialism. Retreat from such support has in it a very large element of callousness. One of the best young foreign affairs journalists in West Germany repeated at two conferences in Asia last year that this was "the first time in over 150 years that Europe doesn't have an Oriental problem." Now, it seems, it is the Orientals who have the Oriental problem. Recent American writings speak of the lack of any vital interest of the United States in Asia, Africa, the Middle East, East Europe and so on. These are all "culturally inaccessible." And, viewed somewhat unkindly, recommendations for regional unions all over seem to propose the creation of our own islands—or continents—of "invisible men" on an international scale.

The new isolation has been encouraged by the disaster of Vietnam, and encompasses the emotions of right and center as well as left. In fact, as we have said, Vietnam has displaced much of the government concern to develop programs for reducing domestic inequalities, to say nothing of other foreign concerns. It has done so in spite of President Johnson's evidently earnest desire, expressed in his first State of the Nation speech, to turn his attention mainly to the problems of American society, where one suspects he feels more comfortable. But for a world power, foreign political and military disorders often turn out to be hard to ignore. And, almost against governmental will, they have consumed more and more national resources and government attention. Whatever the right allocation of effort between home and overseas concerns might have been, the displacement that has taken place illustrates one fundamental tie between domestic and foreign troubles: namely, that there *is* an allocation problem, that overseas troubles and those at home are both of concern and have to be dealt with out of the same pot, in proportions that will vary over time, by means that are arguable, and even for ends that need clarification and continuing revision—but both sorts of trouble will need handling.

In the long run, turning away from the world is not very plausible for the United States. Moreover, it would be a great mistake to suppose that indifference to the fates of ethnically different peoples

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in Asia and Africa and the Middle East would mean a turning toward a concern for ethnic minorities within the United States. On the contrary, it seems more likely for isolationism to accompany domestic indifference and reaction.

A grim paradox

We think of government programs that *might* have been undertaken if there were no war, and if Congress spent as much money on reducing racial inequities as it spent on the war; and as a result we tend to identify this war—or previous wars—as the reason for lack of progress in improving the status of nonwhites relative to whites. In fact, however, there is a grim paradox, of which many Negroes have been conscious, that has made wars the occasion for some of the most decided improvements in Negro status. So Ralph Ellison has written:

> I would like to say something which is unpleasant about the Negro in Vietnam. Speaking historically, our condition has been bettered in this country during periods of national disaster. This was true of the Spanish-American War when there was the beginning of the migratory movement. It was true to a large extent during World War I. . . . As much as I dislike warfare, and I would like to see this thing in Vietnam ended, but from a Negro point of view, from one Negro's point of view, I know that the people who are going to rule the South together under the new political situation there will be the black and white Southerners who are fighting together in Vietnam, getting to know one another in a way that was not possible before, to know one another without the myths of racial inferiority or superiority.

And Bayard Rustin:

> World War I aroused new hope in Negroes that the rights removed at the turn of the century would be restored. . . . World War II was a period of hope for Negroes, and the economic progress they made through wartime industry continued steadily until about 1948 and remained stable for a time. . . . Then there is the war in Vietnam, which poses many ironies for the Negro community. On the one hand, Negroes are bitterly aware of the fact that more and more money is being spent on the war, while the anti-poverty program is being cut; on the other hand, Negro youths are enlisting in great numbers, as though to say that it is worth the risk of being killed to learn a trade, to leave a dead-end situation, and to join the only institution in this society which seems really to be integrated.

C. Vann Woodward makes some parallel comments on the effect of the Korean war.

These informal observations of Rustin, Ellison, and others can be precisely documented. The tangible rewards to Negroes in the form of command over goods and services grew most rapidly in

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absolute and relative terms during World War II, during Korea, and during the expansion of the war in Vietnam. To complete the irony, it should be observed that although large advances in the status of nonwhites have occurred as unintended byproducts in the conduct of foreign wars, some of the programs that have been devised specifically to aid nonwhite and other poor have frequently had an opposite effect. As James Tobin has observed: ". . . our present programs of public assistance seem almost to have . . . been consciously contrived to perpetuate the conditions they are supposed to alleviate." Minimum wage laws often have resulted in Negroes not getting employed at all rather than getting employed at a higher wage. Welfare payments have been coupled with means tests that reduce incentives for employment and savings, and have tended to break up the Negro family.

It is surely not inevitable that programs designed to help Negroes will be poorly designed. Better programs are imperative. On the other hand, any changes that lift the economy in general and tighten the labor market tend to reduce the effect of discrimination. If one thinks of the labor market in the form of a queue with Negroes at the end of the queue, then in a slack labor market employers don't reach the end of the queue. In a tight one, they do. Consequently, even though this war and other wars may rate strenuous disapproval on other grounds, their effect has been to improve the employment and income status of Negroes absolutely and relatively to whites.

But the problem of increasing the growth rate of nonwhite relative to white income within the United States, as we indicated at the start, has suggested some fruitful theoretical parallels with the tasks of improving the relative growth rate of less developed countries. And there are parallels between *policies* in both fields—bad policies as well as good ones.

Economic autarkies in the ghettos and in the Third World

After seizing power, Castro undertook a program of industrialization intended vastly to increase Cuba's self-sufficiency. He attempted to promote the manufacture of many finished products that Cuba had bought before, mainly from the United States, and that were still available from East Europe and elsewhere. But the Cubans discovered that frequently it cost them more to import the raw materials than to buy the finished products. The planning, Guevara later confessed, was "ridiculous."

> In industry we made a plan of self-development based fundamentally on the idea of being self-sufficient in a series of durable consumption goods or intermediate industrial articles which, however, could be obtained with relative ease from friendly countries. In this way we

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> committed our investment capacity without completely developing our own resources of raw materials, including some intermediate products we now make. . . . In agriculture, we committed the fundamental error of scorning the importance of sugar cane, our fundamental product. . . .

Milder forms of autarkic theory and ideologies of inward-looking industrialization were much wore widespread in the Third World at the end of the 1940's. In 1949, Raul Prebisch, then the leading figure in the Economic Commission for Latin America, was saying that

> In Latin America, reality is undermining the outdated schema of the international division of labor which, after acquiring great importance in the nineteenth century, continued to exert considerable academic influence until very recently.

Since that time Prebisch, who is now Secretary General of the United Nations Conference on Trade and Development (UNCTAD), has become a strong critic of inward-looking industrialization, of proceeding "piecemeal in a large number of watertight compartments with little intercommunication, to the serious detriment of productivity."

There is a clear parallel, sometimes self-conscious, between these Third World autarkies and black nationalism in the United States. "Our people have to be made to see," Malcolm X wrote, "that any time you take your dollar out of your community and spend it in a community where you don't live, the community where you live will get poorer and poorer, and the community where you spend your money will get richer and richer." Like the political statements cited earlier, such economic views hark back to Marcus Garvey's "Back to Africa" movement and "Buy Black" slogans in the 1920's; and still earlier to Booker T. Washington. Many similar statements today, e.g., by Stokely Carmichael and Charles Hamilton in *Black Power,* also draw the parallel:

> Colonies have existed for the sole purpose of enriching, in one form or another, the "colonizer." . . . Rich in natural resources, Africa did not reap the benefit of these resources herself. In the Gold Coast (now Ghana), where the cocoa crop was the largest in the world, there was not one chocolate factory. This same economic status has been perpetrated on the black community in this country. Exploiters come into the ghetto from the outside, bleed it dry, and leave it economically dependent on the larger society.

In a just order, this suggests, neighborhoods might be independent of the larger society.

Economic autarky is only one of the many meanings of the phrase "Black Power." But in this sense Black Power carries to an extreme the attacks on division of labor, as a form of "exploitation," that

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have been expounded by many theorists of economic development in the Third World. It carries the attack from the international level down to the neighborhood.

There is, of course, something to the idea of increasing Negro entrepreneurship, Negro self-help, and the growth of a Negro middle class (just as there is something to diversifying agriculture and industry in the less developed countries and subsidizing economic activities that have a prospect for becoming competitive). Indeed, such domestic policies have great importance. But the black nationalist extreme of ghetto economic independence represents the least feasible of the inward-looking industrialization proposals so familiar in the Third World.

These parallels might clarify some government and academic proposals for building black institutions in the ghetto, though the upshot of these proposals is often obscure. Sometimes they respond to the more moderate interpretations of Black Power; but even so, they seem not unaffected by the ambiguities of that phrase. Specifically, "black economic institutions" may refer simply to building up Negro-owned industry in the ghetto to replace the "white" products and services of the larger society—a vast "import substitution" program. Or it can mean the development of Negro specialization, Negro-owned businesses in or out of the ghetto, that are part of the complex interchange of the larger society. These are quite different things.

Inward-looking or outward?

One is inward-looking; the other is outward-looking. The first would mean developing economic institutions that provide goods and services to Negroes at higher costs and less efficiently than if considerations of productivity rather than color were dominant. An example of such import substitution is offered by some well-intentioned projects in recent times in Watts. The Watts Labor Community Action Council, which was conceived in the Industrial Union Department of the AFL/CIO and has been endorsed by such disparate figures as Sam Yorty and Sargent Shriver, appears to have performed a number of useful community services in building vest pocket parks, cleaning up neighborhoods, and the like. It has also sponsored a project for encouraging "a sizable poultry ranch located in the heart of Watts." The comment of Augustus Hawkins, the congressman from the district including Watts, seems quite appropriate: Such a scheme might raise the price of chickens and eggs in Watts or, more likely, go out of business because it could not come near the efficiency of large-scale poultry and egg ranches located in the countryside. (Congressman Hawkins has had experience not only in Watts, but as a chicken farmer.) Moreover, the

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political costs of building Negro social institutions on top of these separate, inward-looking economic activities might be very high, if integration is our ultimate purpose; and especially if it is our near- or medium-term purpose. The experience of other minorities used to justify such proposals seems to be misinterpreted. Of course, there are always secondary and tertiary industries that are determined largely by residential location and that, in ethnically uniform neighborhoods, tend to be run by members of that ethnic group. On the other hand, the sort of ethnic economic institution-building frequently referred to in the case of other minorities involves cases of *specialization* rather than *autarky*. The Italians and Jews in the garment industry, the Italians in shoemaking, the Irish in the police and other civil services, the Greeks in the restaurant industry, and so on, all provide goods and services to the larger society and not merely to their own ethnic groups.

To develop such specialties which are ultimately competitive is consistent with the use of subsidies, nepotism, and protection in a strategy to construct a ladder for Negroes from first employment to management and ownership—a strategy that may be justified by a valid form of the "infant industry" argument. On the other hand, this and many other economic arguments almost exactly oppose a strategy of black autarky. Current discussion of ghetto institution building does not clearly distinguish these two quite opposite approaches. Because ghetto autarky is even more plainly unreasonable than national or regional autarkies, a little clarity on the distinction between these two sorts of institution building is helpful.[4]

Stokely Carmichael's version of the building of black institutions in the ghetto has a particularly utopian character. Indeed, it is an urban version of the small pastoral utopian communities that sprang up in the nineteenth century. His black ghetto residents will own and improve a building or a shop "cooperatively." "The society we seek to build among black people then is not a capitalist one. It is a society in which the spirit of community and humanistic love prevail." Such communities embedded in the central cities of the United States make the Icarian communities of the last century seem practical in retrospect. And one trouble with utopian goals is, as we shall see, that they breed utopian means.

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[4] Harry Johnson has developed an interesting theory of economic nationalism in new and developing states which derives in part from Becker's model of nonpecuniary returns to race discrimination in domestic markets. Advocates of national autarkies (not Johnson) might argue that increments to national pride, dignity and other nonpecuniary returns are worth the economic cost, but the quotations from Guevara and Prebisch suggest such economic costs are not normally calculated in advance; and one may question in particular whether informed plebiscites would support the continuing economic sacrifice. Neighborhood autarkies, if they sacrifice even a national division of labor, might impose much larger economic costs; and American Negroes are plainly concerned to improve their money income relative to whites.

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Ghetto riots and guerrilla war

It is increasingly common to compare our own urban disorders with guerrilla war and the insurrectionary violence of "national liberation fronts" in the Third World. Journalists make the analogy, of course, for its vividness. And law enforcement officers, such as Maryland's Adjutant General Gelston, go along with it. "This is guerrilla warfare," he said of the Detroit riots. "These people have learned the lesson of Vietnam." The analogy stirs some of the deep fears and fantasies of whites. For black nationalists, it is nothing new and it is not simply metaphor. Malcolm X gave his audiences little briefings on guerrilla war, and presented it as the ground on which the black man, like the brown man, the yellow man, and the red man, can defeat the white man. *Prensa Latina* quoted Stokely Carmichael when he attended the LASO (Latin American Solidarity Organization) meeting in Havana in the summer of 1967 as saying: "American Negroes are organizing urban guerrillas for a fight to the death." Charles Hamilton, his collaborator, has referred in lectures to many parallels between guerrilla warfare in the underdeveloped countries and the efforts that Negro colonies, in cities and the rural districts, are making to secure their liberties. Carmichael and Hamilton subtitle their book, *Black Power*, "The Politics of Liberation in America," and feel a close bond of sympathy and mutual support with liberation struggles elsewhere: "Black Power," they write, "means that black people see themselves as part of a new force, sometimes called 'The Third World'; . . . we see our struggle as closely related to liberation struggles around the world." Guerrilla war appears sometimes as a means to making their program effective, and sometimes as the only alternative left if their program is not accepted.

"Black Power," it appears, has a wide variety of interpretations that vary from the bloody revolutionary to the mildly pluralist. Moreover, the ambiguities are present in statements of its leading advocates. The analogies with guerrilla war that occur in Black Power statements are in the revolutionary rather than the pluralist vein. Popular though they are with over-excited reporters as well as Black Power militants, they neglect some essential differences between ghetto riots and guerrilla war. And just because any of us may be tempted to use such words simply to stress the intensity of Negro disaffection expressed in the riots, they deserve sober comment—even more, because the ambiguities of "Black Power" on the subject of guerrilla war and insurrection betray a feeling of ambivalence on the part of its advocates. "Black Power" cannot mean in *practice* "taking over the country," and this is frequently explicit. It cannot mean forceful takeover and withdrawal of even a part of

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the country—though this may sometimes be less clear to its advocates. Why then apply the words "rebellion" and "guerrilla war" to the riots? Guerrilla war, as understood by its theoreticians and practitioners, is quite a different matter from our own urban disorders.

Take Guevara, a contemporary hero of the Black Power militants. His program for guerrilla war is neither a manual for using terror to influence the government to make reforms, nor is it a collection of recipes for violent expressions of protest and defiance of authority. It is a program for replacing that authority by force. The guerrilla band, on his view, starts by hiding in inaccessible parts of the countryside, moving rapidly from place to place, and making its harassing first strikes only against government outposts that it out-mans. Then, after a sequence of successful harassing actions, it takes and occupies remote territory that can serve as a sanctuary, and with time occupies more and more of the country, primarily with rural support—until finally it is able to contest the government armed forces along defined fronts, and annihilate them and seize power. The suburban and urban supporters play a subordinate role throughout. The peasants are crucial. Even if there is no revolutionary situation of the sort presupposed by other theorists as a necessary condition for revolution, a highly disciplined small leadership can create, by means of the insurrection itself, some of these conditions.

That is Guevara's theory. In fact, the realities of the successful guerrilla war in Cuba and of his unsuccessful actions in Bolivia and elsewhere were quite different. (In Cuba, for example, the peasant population with few exceptions was indifferent or hostile, and support was largely middle class. And the war of fixed fronts was invented after the fact to fit the theory.) However, the Negro riots here contrast *both* with the realities of Guevara's experience as well as with his theory of guerrilla war; they contrast equally with the theory and practice of Mao and Giap. The irrelevance of the countryside in the American case is among the least of the differences. More essential is the fact that the Cuban revolutionaries seriously aimed at taking power, and though small in number they made their appeal, not on the basis of injustice to a small ethnic minority, but on the basis of restoring constitutional and other rights to the vast majority of Cubans who had been deprived of them. Other revolutionaries have announced more ambitious social change, but with equally universal appeal. The Negro minority, as the Black Militants keep being reminded, makes up only 11 per cent of our country, and the reminder, though distasteful, is precisely to the point.

A second and related difference has to do with territory. The subordinated ethnic groups that can realistically hope to seize power in other countries either make up the overwhelming majority

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of the population, as in South Africa or Rhodesia, or make up the majority of the population in one or two large contiguous territories within the country. In the latter case, secession is a realistic possibility. But ethnic minorities in the United States are not concentrated in one or two large contiguous areas. They are dispersed over the country in a multiplicity of rural areas and metropolitan centers. Their concentrations are small and local rather than large and national. The existence of ghettos means, of course, that there are many enclaves or neighborhoods where Negroes are majorities or nearly so. But none of these individually—nor any set of them in combination—could form a viable unit that is politically and economically independent of the white majority, or a separatist state of the kind currently advocated by Robert Browne. Negroes play a growing part in municipal government, but such cities as Cleveland will continue to depend on the country at large. The geographical distribution of Negroes lends itself to influencing or disrupting the normal operations of government at many points in the United States, but not to replacing them.

Bayard Rustin has commented acutely on the implications of these demographic and territorial facts for the electoral politics of Black Power:

> in Stokely Carmichael's extravagant rhetoric about "taking over" in districts of the South where Negroes are in the majority, it is important to recognize that Southern Negroes are only in a position to win a maximum of two congressional seats and control of eighty local countries. (Carmichael incidentally is in the paradoxical position of screaming at liberals—wanting only to "get whitey off my back"—and simultaneously needing their support; after all, he can talk about Negroes taking over Lowndes Country only because there is a fairly liberal federal government to protect him should Governor Wallace decide to eliminate this pocket of black power.) Now there might be a certain value in having two Negro congressmen from the South, but obviously they could do nothing by themselves to reconstruct the face of America.

These considerations support one variety or another of coalition electoral politics. Perhaps those proposed by Bayard Rustin; more likely, we suspect, the loose *ad hoc* and shifting alliances suggested by James Q. Wilson. Wilson doubts the likelihood of a stable, organized, liberal coalition, to say nothing of a radical one. In the South, with the changes in Negro voting, he sees the upper middle class urban whites as allies for the Negro against the lower and lower middle class rural whites. His political analysis seems broadly consistent with Becker's sort of economic model:

> The natural ally of the Southern Negro, for the foreseeable future, is the cosmopolitan white bourgeoisie. In part, this reflects self-interest: Negroes have a moral right to vote, to be free from arbitrary ar-

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> rest, and to be protected from official abuse, even if century-old prejudices require that the Negro not live next door to whites. The issues now being pressed by the Negro in the South make the most fundamental claims of elementary justice; when the claims of simple justice are reinforced by self-interest, the potential for effective action is great. But his white ally has little interest in a massive redistribution of income, the nationalization of political authority, or the reordering of society.

In the North, Wilson sees not one grand alliance but many different, often conflicting ones, in which liberals play an important role:

> In the North, the Negro, facing goals more complex and less clearly moral than those faced in the South, will continue to require white liberal, business and union support for slow progress toward programs productive of income, education and wider opportunities.

Because the Negro cannot match white force by himself, and because no revolutionary coalition with whites is likely, the demographic and territorial realities have their most obvious implications for the infeasibility of guerrilla war or insurrection. Morris Janowitz has noted that the urban participants in what he calls "commodity riots" neither can nor intend to hold territory in this way, and on this account the term "insurrection" has little meaning when applied to these riots. In fact, holding territory would be pointless. The central cities of the United States are not separable from the rest of the country. They cannot be city-states that support themselves. Nor can they plausibly be the nucleus for a larger takeover.

"Expressive insurrections"?

Even in the political context of the less developed countries, the terms "liberation," "revolution," "imperialism," "colonialism," and the like are used rather too liberally. Marx would have difficulty recognizing the "revolutionary socialisms" of the military regimes in Egypt or Algeria. Political independence from the British, French, and Dutch as achieved in India, Algeria, and Indonesia has a limited, definite meaning. But talk of "liberating" Venezuela 150 years after Bolivar, or Haiti 175 years after Toussaint, is Orwellian unspeak. (A revolution might well be in order in Haiti, depending on its costs, on what it might be a revolution to, and on what the alternatives are; but it is rather late for liberation.)

Terms such as "imperialism" today have similar obscurities as applied to relations between the developed and less developed countries. These relations hardly fit Lenin's or Hobson's descriptions. Some recent ideologies of economic development do suggest that trade is a vehicle for exploitation, rather than a means of specialization and division of labor potentially useful to both trading partners.

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Often such ideologies indicate, to the Third World leaders coming to power, that cutting previous ties with the developed countries is both a necessary and sufficient condition for rapid economic advance. But the Cuban revolution illustrates especially well the sad postrevolutionary disappointments of such expectations on the part of the utopian and charismatic leaders that brought the new regime into power. However, Castro and Guevara are not alone. Ben Bella, Nkrumah, Nasser, Mao, and many others have encountered a mass of prosaic troubles in fulfilling the glowing ends of the revolution. (It would be worth writing a separate essay entitled, "There's No Magic in Charisma.")

But if the ends of revolutions in the Third World have been utopian, the revolutionary means have frequently been entirely practical. Not always, of course. Guevara's hopes, for creating the objective conditions for revolution by the process of guerrilla war itself, failed in Bolivia and in Africa. And for the Negro minority in the United States or for the New Left in general, not just the post revolutionary goals, but the revolutionary means themselves, the forcible seizure of power, are a kind of utopia, a reduction to absurdity of Guevara's and Debray's voluntarism.

We should, however, make three qualifications: (1) the infeasibility of a successful minority takeover by force does not rule out the possibility of violence or the threat of violence being used to extract small or large concessions from the majority. (Nor the possibility that the violence will backfire.) (2) It plainly does not exclude the possibility of creating a good deal of chaos in American society, much of it self-destructive. (3) Least of all does it exclude the possibility of letting off steam. Referring to the summer of 1967, Harold Pfautz has said: ". . . these collective disorders are not riots in the usual sense of the term but expressive insurrections." The adjective "expressive" does not go very well with the noun "insurrections," but the odd phrase does suggest the depth of the frustration shown, and the potential for nihilist violence.

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The blending of public and private enterprise: The SST as a case in point

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and

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OCCASIONS arise when the government and private industry engage in a joint or "mixed" venture. This is especially true, today, in the area of the development and commercial exploitation of advanced technology. The supersonic transport (SST) program of the United States and of the Anglo-French Concorde is a current example. The future may reveal other areas (e.g., urban affairs, education, public health, oceanography, and the development of natural resources such as oil shale) in which a case might be made for joint ventures between government and industry. But the record of mixed ventures reveals many difficulties and problems we are not sufficiently alert to.

The British East India Company, in its time, was such a "mixed venture." It was successful beyond anyone's expectation, but its success was in an unanticipated direction that thrust both great benefits and burdens on Britain. The Bank of England "grew" into an effective central bank, but the transformation was more or less unconscious. The Second Bank of the United States behaved like a central bank with such effect that it precipitated a political struggle whose dormant passions foreclosed the rational development of

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monetary institutions in the United States for nearly eighty years. Subsidized canal companies in the United States absorbed much capital that could have been invested more profitably elsewhere. Although railroads were built in the United States with the aid of the federal land-grant device, many students feel that the public paid too high a price for what was received. Many mixed ventures, including some that failed, were effective devices for enriching special groups at the expense of the general public. Over all, excessiveness—either of failure or success—and surprise seems to be one of the major products of mixed ventures.

The future of the supersonic transport program contains ample opportunities for surprise. To begin with, there is much doubt about its economic viability, despite administration assurances. Many technical and operational uncertainties (e.g., possible route restriction caused by the sonic boom) also cloud the SST's future.

The economic uncertainties center around the future level of air fares, the growth of air travel, and the economic worth of the increment of speed relative to subsonic aircraft that an SST can provide air travelers. The trend in air fares is downward, due to operating efficiencies of subsonic turbine equipment; this tendency may be enhanced by future larger aircraft, such as a commercial version of the military C-5A or the Boeing 747. Fares may fall from 20 to 30 per cent—and an SST would not be profitable at these levels. However, if a fare differential can be maintained—which would be an operational test of the assertion that "consumers prefer speed"—the SST could prove to be profitable. Indeed, with good fortune in the technical development and design process, and in the absence of a sonic boom route restriction, an SST could earn billions in profits for its manufacturer.

The cost of developing and producing an SST, however, is less uncertain if no less impressive. For example, the total cash outlay could exceed $5 billion *before* the first SST commercial delivery. Such an investment made in the private sector, compounded at equity rates of return (before taxes) over the project's eight-to-ten year gestation period, would constitute a "foregone alternative" (to use an economist's term) of about $10 billion; this is the most relevant measure of society's resources that the government's sponsorship of the project will cause to be risked.

Thus, the SST program has characteristics similar to those of a wildcat oil-drilling venture: a high probability of the investors losing money, combined with a lower (but nevertheless meaningful) probability of attaining spectacular gains. But the size of the investment and its risks apparently are such that the private sector of the economy finds itself incapable of financing the venture on its own. Hence, the U.S. government is financing an SST program. In view of SST's highly "venturesome" (i.e., "high risk") qualities, the gov-

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ernment's possible role in the SST financing program fits the following recent federal credit program guideline:

> From time to time Federal credit aids are proposed to meet what are essentially equity capital needs; i.e., cases where there are both substantial risk of loss as well as possibilities of considerable profits. In such situations, the Federal agency involved should make a careful examination to determine whether the need is for equity rather than credit financing. If equity financing is needed and important public purposes make some type of Federal assistance essential, the beneficiary, if successful, should have an obligation to share some of the returns with the Federal agency providing the assistance.[1]

The idea of government sharing profits is novel. But there are two intertwined reasons why a profit-sharing scheme should be worked out beforehand and with some precision.

The best—or worst—of two worlds

First, a program like the SST has a long gestation period. During such a period, the manufacturer copes with an uncertain technology. A high degree of technical and managerial experience will be attained. Such expertise can endow the manufacturer with a monopoly position. Should this government's financial support take the form merely of a conventional business loan, with an interest return in the range of 5 or 6 per cent, the monopolist manufacturer, in the event of a successful program, could enjoy profit rates that would be difficult to defend. For example, should private investors finance 10 per cent of the program and the government 90 per cent, with a 5 per cent rate of return on the government's "loan" and a 15 per cent over-all rate of profit from the venture, the rate of return on the private share would be 100 per cent.

Private exploitation of a monopoly position, to be sure, can be prevented by explicit government controls, including profit renegotiation. But controls that prevent exploitation of a monopoly position pose a new problem, and the need to cope with it constitutes the second reason for a profit-sharing arrangement between the government and the private manufacturer. Such controls can inhibit the quest for efficiency that normally accompanies an unfettered profit motive. There is likely to be detailed government involvement in technical and design decision-making, and a duplication of engineering and technical staffs. The program would thus acquire the characteristics of a military procurement program, with responsibility for key decisions becoming difficult to pinpoint, because they are usually a joint product of two bureaucracies. But, unlike a

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[1] *Report of the Committee on Federal Credit Programs to the President of the United States* (Washington, D.C.: Government Printing Office, 1963), pp. 10–11.

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military program, the government is not in this case the end user of the product; the SST will be used mainly by private airlines.[2]

Thus, such "mixed" ventures pose a twofold dilemma. Ideally, one would like to combine the best features of the private and public sectors: from the private sector, the classical incentives and efficiencies associated with the profit motive and private enterprise; from government, financial support and minimum disruption of the operation of normal market processes. But unless care is exercised, it is possible to get *the worst* combination of the results of government bureaucracy and the pursuit of profit by private parties. It is, for instance, highly probable that the SST program should not go forward rapidly at this time: a commercially successful SST, of the size and speed currently proposed, is more likely after, than before, 1985. However, under present organizational arrangements, timing of the program is determined, so far as the government is concerned, by political considerations; nor do the private partners have to make a detached appraisal of its economic prospects, since these partners stand to lose so little and make so much.

The simplest way of avoiding these problems is for the government and the private manufacturers to engage in a straightforward partnership and profit-sharing arrangement. For example, if it were agreed that the private manufacturer/developer put up 10 per cent of the resources, and the government 90 per cent, then profits would be shared in that same ratio. The manufacturer would be motivated to maximize the profit return on his investment, and in so doing would seek to minimize development and production costs, in a way that military procurement programs do not. The government's role could be relatively passive, avoiding involvement in detailed management, on the grounds that the manufacturer's self-interest provides adequate incentives and safeguards.

Similarly, once the development program is underway, the manufacturer could (and should) be left free to change the pace of the program if it appears to be a more profitable or less risky strategy; or, the manufacturer could modify performance characteristics. For example, in the case of the SST, it might become apparent that the cost of attaining a Mach 2.7 speed capability (the currently stated objective) is uneconomical as compared with, say, a speed of Mach 2.5. Within rather broad limits, the manufacturer could be left alone to follow a *laissez faire* approach, and the manufacturer's motives would coincide with the government's.

The same high degree of freedom for the manufacturer could also extend to the decision-making that determines product pricing and

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[2]For further discussion of these points, see Stephen Enke, "Government-Industry Development of a Commercial Supersonic Transport," *American Economic Review*, May 1967, pp. 71–79.

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allocation of the product among customers. The manufacturer would adopt a pricing policy which it judges will maximize its profits (or minimize its losses). Short of a striking successful program, the manufacturer's incentives would coincide with those of the government. (A strikingly successful program, however, could generate profits that would be embarrassingly high to *both* the government and the private partner!) Simultaneously this pricing approach would avoid two other problems that could arise, and that can be illustrated by the SST program.

Rationing and underpricing

First, the problem of allocating the initial production units among different airlines need be no concern of government: it can be solved impersonally between the manufacturer and the airlines. To the extent that early units are scarce, they might enjoy favorable load factors, and their operators could demand fare premiums. Some of this profitability could be extracted by the manufacturer through higher prices, which would simultaneously enhance profitability to the manufacturer and solve the rationing problem as between different airlines. This process would also tend to assure that the first SST's would be acquired by those airlines that could use them most efficiently and profitably. Such a method of "rationing" SST's by prices is to be contrasted with a political decision-making process which—in the case of the SST—could involve the government in charges of unfairness as between U.S. airlines, and between U.S. and foreign airlines. At present, "positions" to acquire SST aircraft have been let by the Federal Aviation Authority to individual airlines for a nominal "deposit" of $100,000 per aircraft. The positions are fairly widely distributed among airlines, foreign and American. The arrangement is such that the airlines apparently have an "option" to buy at a yet unspecified price. But it is not clear what economic purpose the nominal $100,000 payment really serves (other than providing advocates of the SST program with a superficial argument that the airline industry supports the program), inasmuch as their total is a bagatelle relative to the program cost. As things currently stand, it would be imprudent for an airline management not to acquire positions for a mere $100,000, should the aircraft prove successful. But once it has made the deposit, it would be awkward for the airlines to express skepticism. Thus what may not make economic sense nevertheless makes political sense to the sponsors of the SST.

Second, it is to the government's and the public interest to avoid the disruptive effects of underpricing. Normally, underpricing does not occur in the private sector because it is contrary to the profit motive. (It can, however, be used as a purposeful device to destroy competition and thus attain or strengthen a monopoly position.) For

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example, an SST program of 300 aircraft might earn the government and the private manufacturer a 20 per cent rate of return on their combined investment, with SST's being priced at an average of, say, $35 million each. By normal business standards, the program would be successful. If, however, in the effort to limit the government's earnings to a 5 or 6 per cent "interest" return on its investment, but to provide a competitive 20 per cent return on the manufacturer's investment, SST's could be priced at, say, only $25 million. This would be a case of underpricing. At this lower price, 400 instead of 300 SST's might be sold. The sale of an additional 100 SST's displaces (or reduces the opportunity to sell) the sale of some 300 subsonic aircraft. This additional sale therefore imposes an unwarranted injury on the subsonic transport manufacturing sector. (An example of such a manufacturer would be McDonnell-Douglas, which currently shares the U.S. subsonic transport production with Boeing, the contractor for the SST.)

Only in the event of a highly successful program might complete pricing freedom for the manufacturer pose a problem—if it is a problem at all. "Excess" or higher than "normal" profits could emerge. In this event, the government would obtain its pro-rata share, which would redound to the benefit of all taxpayers. The manufacturer's share—although above the norm—may be considered a justifiable return for engaging in a highly risky venture. Or the government may establish as one of the initial ground rules some upper limit or target rate of return, which should not be exceeded and which is deemed ample to attain proper incentives and adequate to avoid the disruptive effects of underpricing.

A time-weighted equity device

The discussion thus far has been couched in terms of a predetermined split in the relative investment shares of the private and public sectors, which would also be the basis for fixing the respective profit shares. Such a split, for example, might be 10 per cent for the private investor and 90 per cent for the government. This would mean that, each year, the government and the private firm would share the investment outlay—both for R&D and the financing of initial tooling and production—in that proportion. Outlays financed in this proportion would continue, of course, until the cash flow from sales equals or exceeds current expense. After this "break even" point, profit disbursements could begin.

But such a rigid, predetermined allocation of the investment requirement is neither necessary nor desirable. With most technological development processes, the passage of time reduces uncertainty. As prospects become sharpened through the acquisition of new knowledge, the venture may look less risky to the private firm.

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The private sector as a whole (including the banking community) may come to view the venture as a "good risk," particularly after initial prototypes are available or a critical technological breakthrough is achieved. Yet a large amount of financing would still remain to be done, particularly for production-tooling and inventory acquisition. If the developer/manufacturer at any time would like voluntarily to finance a larger share of the venture, it should be permitted to do so if an equitable and efficient way can be found to share future profits. It would also be the government's interest to encourage and permit such a transition, because its tax revenues or borrowing capacity committed to the program could then be released for other purposes.

Such flexible and optional investment by the private sector can be achieved by the use of a "time-weighted equity" device, which essentially is an application of the principle of compound interest. Initially, only two factors need to be specified: (1) the minimum share of the investment that the private firm shall contribute (in line with previous examples it could be 10 per cent); (2) a rate of interest to be used for compounding purposes. This rate should be one that reflects the going rate of return or profit on investment (before taxes) that prevails in the economy (let us assume it is 20 per cent).

With the specification of these two factors, the developer/manufacturer can during any period increase his relative share of the investment. The value of both the government's and the manufacturer's investments would be compounded by the 20 per cent rate, to give proper weight to the timing of their respective investments.

Table 1 illustrates with a hypothetical example how the device would work. Column 1 depicts the program year. Column 2 shows the annual investment to implement the program. It is assumed that year 9 is the "break even" point, at which time sales equal expenditures. (In subsequent years a cash payback and profits could ensue.) Columns 3 and 4 show how the government and the private firm share the total investment.

The example assumes that, during the first four years, the manufacturer and government share the investment cost at the stipulated 10:90 ratio. By year 5, however, the manufacturer begins to exercise his option to increase his relative contribution. In years 6 and 7, which may require large outlays to finance facilities, tooling, goods in process, the prospects for the new product may have become so good that the manufacturer is willing to finance the entire requirement for those years.

The year-by-year outlays of both parties are compounded to take proper account of the timing of their respective investments. The relevant "future worth" factor and the future worth of the respective investments are also shown in Column 5 and subsequent columns of

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TABLE 1. *Illustration of Time-Weighted Equity Device.*

YEAR	NOMINAL INVEST-MENT	TOTAL NOMINAL SHARE		FUTURE WORTH FACTOR	ECONOMIC WORTH (FW × NOMINAL INVESTMENT)	
		Govt.	Private	(@ 20 Percent)	Govt.	Private
1	$20	$18	$ 2	4.300	$77	$ 9
2	30	27	3	3.583	97	11
3	50	45	5	2.986	134	15
4	50	45	5	2.488	112	12
5	50	40	10	2.074	83	21
6	100	50	50	1.728	86	86
7	300	0	300	1.440	—	432
8	200	0	200	1.20	—	240
9	0					
Total	$800	$225	$575		$589	$826
Percentage Share		26	74		42	58

Table 1. At the end of year 8 (or at whatever point net outlay for the venture ceases) both parties will ask: "What is the relative economic worth of our investments"? As shown in Table 1, it is 42 for the government; 58 for the private investor. Profits should be divided in this proportion.

The early dollar

The "time-weighting" device illustrated in Table 1 is a means of taking explicit account of the fact that a dollar invested early has more worth (or involves a greater foregone opportunity) than a dollar invested later. For example, if two private partners were to share profits equally, it would be unfair if one partner furnished his 50 per cent of the total outlay during the first half of the investment period, with the second partner contributing his 50 per cent of the nominal outlay during the later phase of the investment period. Indeed, private parties do not and would not knowingly engage in such an arrangement. The same ground rules should be applied to an arrangement to which the government is party, unless there is a purposeful desire to provide the beneficiary with a windfall gain.

It should be emphasized that a "time-weighted equity" approach, and its associated use of a compound interest factor, is necessary only if it is desirable to depart from some fixed ratio at which annual investment outlays and total profits are to be shared. The annual investment outlays must also encompass what is termed "research and development," as well as the financing of initial production, tooling, and so forth. Indeed, there appears to be no rational or equitable way by which the two phases (R&D and initial pro-

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duction) can be financed, and over-all profits shared, unless either the investment and profit shares are fixed and adhered to through the project life, or a time-weighted equity scheme is employed.[3]

In employing such a time-weighted equity device, the establishment of the appropriate level of the "interest rate" or compounding factor involves the following considerations: The higher the rate, the greater is the incentive for the party which has the option to invest a larger share to increase his relative share early. A lower rate provides an incentive to procrastinate. These problems would be avoided to the extent that the interest rate equals or slightly exceeds the rate of profit the manufacturer could obtain from other investment alternatives.

In employing such a device, no concern on the part of the government is necessary regarding how the manufacturer raises or finances his share of the investment. He can draw on profits from other phases of his activity, borrow from banks, sell new shares of common stock, or sell shares of his share of the program's future profits to his vendors in exchange for supplies or services. In the case of the SST, a manufacturer could auction preferred delivery positions to airlines, and use the proceeds to help finance his activity. Use of such a strategy would render unnecessary efforts on the part of the government to elicit financial support from airlines through devices that are "voluntary" only insofar as the government promises to bear the ultimate risk.

Conclusion

The financing scheme for "mixed" ventures proposed here essentially views the government as a "partner." The arrangement is similar to what would emerge spontaneously in the private sector between two investors, one of whom possesses the technical expertise (but limited or meager capital resources), and the other possesses large capital resources.

In a mixed arrangement, the government would necessarily obtain profits in the event of a successful program. Such a consequence is also necessary if the government wishes to minimize the cost of a program that may turn out to be unsuccessful. And given the highly uncertain look for the SST program, cost minimization needs to be stressed. To some, the idea of the government obtaining profits appears "unseemly," and smacks of "socialism." But such apprehensions appear to spring from a failure to recognize that profit—or more accurately a return on investment—performs critical allocation

[3]At present, no ground rules have been established regarding the financial arrangements that may exist between the manufacturer and the government regarding their respective roles during the production phase.

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and incentive functions in a world where resources are scarce. A lack of profit is either a sign that the venture was ill conceived, poorly managed, or both. In the event of a successful program, the profit or return must be obtained by someone, or a misallocation of resources must ensue. A misallocation of resources would occur if the product is underpriced, which would result with displacing substitute products (which in turn have associated impacts on different regions of the country—e.g., Seattle versus Los Angeles). The eschewal of profit by one investor (the government) will lead either to a windfall gain to the other partner, disruption of other products, or both.

The alternative to a partnership or equity financing approach in such mixed ventures is to permit or tolerate extensive *ad hoc* decision-making and *ex post* formulating of ground rules by government officials. Such has been the dominant pattern in the past. The overall historical performance record of such "mixed" ventures is itself very mixed. It therefore seems appropriate to consider new approaches to the financing and management of future mixed ventures. The scheme proposed here is one such possible approach.

Such a scheme, however, is apt to be resisted in both government and industry. The reasons for such resistance are both political and economic. An investment and profit-pooling arrangement renders unnecessary an extensive government technical staff to oversee and monitor the manufacturer's detailed design and technical decisions. The government's role need only be confined to major decisions at critical thresholds. The need for an extensive bureaucratic apparatus is thus eliminated.[4]

Private manufacturers (as well as advocates in the government) are also inclined to oppose such a proposal because it subjects the *proposal* of a program like the SST to an independent market test.[5] An unwillingness on the part of manufacturers to participate in an investment/profit-pooling arrangement with the government is tantamount to revealing a belief that the program indeed requires a subsidy. At a minimum, if the government adopted the financial and management plan proposed here, it would "smoke out" the true belief in the private manufacturing sector as to whether the program will be viable. It is our bet that the revealed behavior of the private sector would suggest that either the SST program should be dropped, or that it should proceed at a much slower pace.

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[4]As a by-product, another serious problem which decision-makers have consistently refused to face head on would be eliminated: The Federal Aviation Authority, which is presently the advocate and administrator of the SST program, is also charged with the responsibility of certifying new aircraft for commercial use. The future conflict of interest inherent in this situation is extreme.

[5]The proposal should be contrasted with the program itself. Eventually, unless the users (airlines) are subsidized, the SST will be subjected to an independent market test.

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Trade unionism goes public

EVERETT M. KASSALOW

STRIKES of public employees, once a novelty, are no longer unusual. During one three-month period, not so long ago, a casual check showed social workers' strikes in Chicago, Sacramento, and White Plains; slowdowns of firefighters in Buffalo and of policemen in Detroit; strikes among university maintenance employees at Ohio State, Indiana, and the University of Kansas Medical Center; a three-day "heal-in" by the interns and residents of the Boston City Hospital; "informational" picketing, with a strike threat, by the Philadelphia School Nurses' Association; teachers' strikes in a dozen communities, ranging from West Mifflin, Pennsylvania, and Gibraltor, Ohio, to South Bend, Indiana, and Baltimore, Maryland. Such strikes and slowdowns among teachers, policemen, firemen, etc. have become daily occurrences. Because there had been a growing feeling that industrial relations were becoming more "mature," strikes of this sort in sectors hitherto unidentified with unionism have led to confusion. Large-scale unionization of government workers is a relatively new phenomenon in this country, although it has been common in almost all other democratic industrial countries of the world. That large-scale public-employee unionism was also inevitable in the United States at some time is clear. But why now? What new forces account for the current upsurge of public unionism?

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I. The respectability of unions

The first of these forces has been the institutionalization of trade unionism in American life. Unions date back more than 150 years in the United States. But large-scale unionism dates only from the late 1930's, and it has only been in the past decade or so that collective bargaining has become widely accepted as the appropriate way to settle wages and working issues. During this decade unionists have become respectable. Union leaders have been named to innumerable presidential commissions dealing with every conceivable problem area of the country's foreign and domestic business.

It is not surprising thus that, despite the revelations in the senate investigations of the malfeasance of Jimmy Hoffa and a few other union leaders, public opinion surveys show that union officers have registered a significant gain in occupational prestige between 1947 and 1963. This gain is clearly attributable to the widespread acceptance of the basic value of unionism in society, and this legitimacy is being transferred to public employees as well. For this reason, unionism among government workers has begun to advance rapidly, and there is every prospect it will continue to grow.

There is a second, more specific reason for the recent growth of government unionism, and this is Executive Order 10988 issued by President John F. Kennedy in January 1962, which encouraged unionism in the federal service. In its support of public unionism, this order was as clear and unequivocal as the Wagner Act of 1936 had been in its support for unions and collective bargaining in the private sector. It declared that "the efficient administration of the government and the well-being of employees require that orderly and constructive relationships be maintained between employee organizations and management."

In New York City, earlier orders issued by Mayor Robert Wagner resulted in the "breakthrough" of unionism in 1961 among 44,000 teachers. Kennedy's order has a spillover effect in legitimating unionism in states and local public service. Further, the reapportionment of state legislatures seems to have had a generally liberalizing effect, and a flow of new legislation in a dozen states has expedited public employee bargaining.

The enormous growth in public employment has also acted to transform the states of the government worker. Between 1947 and 1967, the number of public employees increased over 110 per cent (see Table 1). (During the same period, private nonagricultural employment increased only 42 per cent.) Clearly, the day has passed when being a civil servant is a prestigious matter. At a time when unions and bargaining have become increasingly accepted elsewhere in the society, this expansion of public employment, with

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its consequent bureaucratization and depersonalization of relationships, has undoubtedly encouraged unionization in the public sector.

TABLE 1. *Public Employment Trends.**

	1947	*1967*
All Public Employment	5,474,000	11,616,000
Federal employment	1,892,000	2,719,000
State and local employment	3,582,000	8,897,000

* The public employment increase since 1947 has been primarily in the state and local sector. According to U.S. Labor Department projections, between 1965 and 1975 this same sector will increase by an additional 48 per cent, whereas total private employment will only grow some 24 per cent.

A new kind of worker

The spread of unionism among government civil servants and teachers is a partial answer to the old question of whether substantial numbers of white-collar employees can be unionized. It is true that much of the growth of public unionism, principally the American Federation of State, County and Municipal Employees and the American Federation of Government Employees (which operates at the federal level) has been among blue-collar employees. (Over two-thirds of the AFL-CIO's State, County and Municipal Employees union, for example, are blue-collar workers.) But some important footholds have been gained among white-collar workers and (because teachers are the largest number unionized) among professionals.

Between 20 and 25 per cent of all local and state employees are teachers, and it is among them that the significant contest in unionization has been taking place. For the organization of teachers has had its impact not only in traditional union circles, but also among other associations of public service employees that formerly limited themselves to fraternal and professional questions. Prominent among these is the National Education Association (NEA). Under competition from the AFL-CIO American Federation of Teachers (AFT), the NEA has radically altered its views on bargaining in recent years. From a reluctant acceptance of only "professional negotiations," combined with opposition to strikes, the NEA now is at the point where some of its affiliates sign full-scale collective agreements. At its convention in 1967, the NEA even came to accept strikes, where circumstances render them necessary. In the fall of 1967, the Governor of Florida was led to denounce NEA activities in that state for seeking "blackboard power."

In the large cities, such as New York, Chicago, Detroit, Boston,

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and Philadelphia, the AFT has won bargaining rights. In smaller cities the NEA has led the way and has won sole bargaining rights in Denver, Milwaukee, Niagara Falls, and a few other fairly middle-sized cities. Some NEA officials argue that the turn of teachers to AFL-CIO unionism in the large cities reflects administrative breakdown in those areas where educational systems are contracting, equipment is aged, and population is fleeing to the suburbs. The NEA points out that in far western cities such as Seattle, San Diego, Portland, and Los Angeles, where educational systems are still expanding and plant is still relatively new, the AFT has not made serious inroads. These cities as well as some others in the Middle West that are still unorganized (such as, for example, Minneapolis and St. Paul) are the likely battlegrounds in the next few years of teacher unionism. The likelihood is that the AFT will become dominant in the large, urban areas, whereas the NEA will hold its strength in smaller towns and possibly generally in the South. Some top AFT leaders have begun to talk about greater cooperation and even a possible merger with the NEA. The NEA with a membership close to a million will, in any case, be of continuing national influence on educational policy.

Like the NEA, other independent state and local public employee associations whose activities until recently have largely been limited to welfare and fraternal programs, are now turning their attention to collective bargaining. These associations, strong among white-collar employees, include, at the state level alone, over 400,000 members who, in turn are loosely grouped into a national joint body. These associations have the additional advantage, in some states, of being favored by public managers.

As is clear from the many strikes reported, a great many different groups in the public sector are on the move. To the extent that one can judge, the new unrest seems to be greatest among those who have very clearly identifiable professions and/or strategic occupations. Teachers, for example, have clearly been in the forefront of public employee labor agitation in the past few years. Nurses have begun to make demands in the large cities. Social workers, a group with old traditions in public employee bargaining, are extending their organization significantly. Firemen and policemen have been revealing a new militancy. In their summer 1968 conventions the AFL-CIO's fireman's union and the independent American Nurses Association both removed clauses prohibiting strikes from their respective constitutions. In contrast, such professional groups as engineers and architects (admittedly employed on a much smaller scale in the public sector than either teachers or nurses) are much less affected. These occupations continue to enjoy a generally more favorable labor market than the other professionals, and this would seem to be a clue to the difference.

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Because it is likely that legislation encouraging collective bargaining in the near future will be enacted in more states, unionism at this level will clearly grow. The Department of Labor has projected that local and state employment will exceed 10 million by 1970, and unionism in this sector must almost inevitably grow in importance on the American labor scene.

Unions in public employment

The sharp increase in collective bargaining in the public service has served to offset the decline in traditional unionism (see Tables 2 and 3).[1] Whereas union membership in the private sector actually fell from 17.189 million to 16.467 between 1956 and 1964, union membership among government workers increased from .915 million to 1.453 million during the same period. The economic boom since 1964 has led to a broad increase in national union membership, but union membership continues to grow more rapidly in government than in the private economy.

TABLE 2. *Trade Union Membership, U.S. Based Unions (000's), 1956–1966.*

	1956	*1964*	*1966*
Nongovernment	17,189	16,467	17,409
Government	915	1,483	1,717

Three public unions have been in the forefront of this general advance: As a percentage of total union membership, government unions rose from approximately 5 per cent in 1956 to 8 per cent in 1964, and 9 per cent in 1966.

Thus between 1956–1957 and 1966–1967 the AFL-CIO as a whole (including its rapidly growing government unions) made a modest recovery from its decline to the early 1960's and managed to increase its membership by 7 per cent. But during this same ten-year period public employee unions have doubled and tripled their membership. Even these figures, based as they are on biennial averages, understate the current membership *for public employee unions.* By the

[1] Note that Tables 2 and 3 are based on different sources. The second is taken from AFL-CIO reports, and reflects that body's affiliated unions' per-capita membership payments to the Federations, of an average annual basis, during the biennial period indicated. The first table is based on U.S. Department of Labor data, and it includes some independent unions as well as the AFL-CIO affiliates. For a number of reasons, the reports of the latter to the Department of Labor are often somewhat higher than their payments to the AFL-CIO. Finally, it should be noted that the Department of Labor reports do not include, in their over-all union count, such bodies as the National Education Association or the American Nurses Association, important segments of which have begun to bargain and sign collective agreements in recent years.

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TABLE 3. *Membership Changes AFL-CIO and Selected Unions 1956–1967 to 1966–1967 (000's).*

	1956–1957	*1960–1961*	*1966–1967*	*Per cent change 1956–1957 to 1966–1967*
AFL-CIO	12,883	12,482	13,781	7
American Federation of Government Employees	56	68	196	250
American Federation of State, County and Municipal Employees	147	188	297	102
American Federation of Teachers	48	57	125	160

end of 1968 the American Federation of Government Employees (AFGE), which organized federal workers, had jumped to 300,000. Some of AFGE's victories in bargaining rights elections such as a 21,000 employee air base unit in September 1968 have been reminiscent of the CIO's organization of mass production industries of the late 1930's. The progress of the State, County, and Municipal Workers (AFSCME) has been made in smaller units, but it had reached 400,000 late in 1968.

The rapid expansion of membership among the federal unions, state, county, and municipal and teachers' unions has been accompanied by the sort of internal turmoil that usually goes with growth. Major conflicts for top union leadership positions have erupted in all three of these public employee unions during the past half dozen years. As membership rolls and treasuries expanded, moreover, and full-time elected and appointive posts opened up, struggles also occurred at the regional and local levels. With the prospect for continuing, substantial membership growth, we can expect relatively high instability and at least a fair amount of election conflict to continue among the officials of these unions.

We can also expect the leaders of the rapidly expanding public employee unions to move into larger roles in the top councils of the AFL-CIO itself. One reason why this has not been true up to now is the persistence of a long-standing conflict between the AFGE and some of the older, craft unions who want the AFGE to limit itself to white-collar, classified employees, and leave blue-collar unionizing in air bases, shipyards, ordinance depots, and the like to craft unions, notably the Metal Trades Council, which has long been active among

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these government employees. This the AFGE has refused to do. Early in 1967 it publicly opposed the official stand taken by the AFL-CIO (and the Metal Trades Council) before a congressional committee considering new legislation to reorganize those government wage boards which have the power to set wage rates for federal blue-collar employees.

Still it cannot be long before some of the leaders of the leading public employee unions will be accorded seats on the AFL-CIO top executive council. Union size has always been one significant factor in the choice of the twenty-nine member council. The State, County, and Municipal Workers Union is already among the ten larger unions in terms of membership size. Its leader, the pugnacious Jerry Wurf, will probably receive a council seat. The American Federation of Government Employees may also be close to that level by the 1970 convention. Aside from size, the AFL-CIO will also stand to benefit from a more representative public image when teachers and other government employee representatives help to make up its executive council.

II. Public management and collective bargaining

The growth of unionism in the public sector has been so rapid that public management has found it difficult to assimilate it in recent years. Even with the best intentions, the process would pose problems to public managers who until recently have had complete authority in personnel matters, within civil service laws and regulations. In many cases the older practices of benevolent paternalism persist, and new ideas about bargaining come slowly. Even though unionism has become accepted in every major industry, the personnel officers in government often have little notion of how to deal with a union, and episodes quaintly reminiscent of labor history thirty years ago frequently occur. One federal union organizer describes his experience in dealing for the first time with an old line air-base personnel director. The union had only recently won its exclusive bargaining rights, and the organizer led his committee into a small personnel office. The director sat behind a small table and told the union committee to remain standing in the crowded office as it prepared to present its demands. The organizer refused to negotiate under these circumstances and eventually a larger office and a large table and sufficient chairs were found. Eventually, too, the old personnel director was eased out of his position. At various levels, this experience has been and will be repeated countless times before the new bargaining process takes hold.

The civil service commissions present the most fundamental problem. In the federal government, as well as in many states, these bodies have been the unilateral source of rules and regulations for

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government employees. In the first stages of the new unionism, these commissions have become the principal management authority. But these commissions often serve both as employer and arbiter, and determine what groups of employees can or should be grouped together for bargaining purposes, or what the proper scope or area of this bargaining should be. In private unionism, the NLRB has been the arbiter of such questions, and it is unlikely that the government unions will allow the "employer" both to make such crucial determinations and also to bargain.

It is sometimes difficult to remember that one of the original reasons for the creation of civil service commissions was to protect the employees from political attack and insecurity of tenure. To trade unions, seeking to assert their rights and to modify old rules and regulations, the commissions now appear primarily as retrograde authority. Thus, efforts by the federal government to continue the Civil Service Commission as executor of the various federal laws regulating employment, while trying to graft on to it new rights and duties of administration in the new collective bargaining process, have drawn much criticism. The "depression psychology" and its memories of insecurity has come to an end in the minds of most government workers today, and similarly the old "concept of Civil Service," as President Jerry Wurf of the American Federation of State, County and Municipal Employees has argued, "falls by the wayside." Wurf notes that his "own union's early history was concerned with the bettering of the Civil Service. But, if you look at Civil Service today, it is really a management tool, which is unilaterally established, and the workers have no say in how it functions."

Several states have already acted to empower a separate new agency to certify unions, help select mediators and arbitrators, define union rights and protections, etc., and the federal government is seriously considering similar action. Clearly, what most public employee unions want is their own version of the Wagner Act's National Labor Relations Board to do for collective bargaining in the public sector what the NLRB did for the private sector in the 1930's. Civil Service Commissions just don't fit that picture, and many are likely to be phased out of this new area of public administration.

Strikes in the public service

No subject in recent years has provoked as much heat as the matter of strikes among public employees. It is probably the most difficult problem in the public employee field. Even expert arbitrators and mediators, men of hard-headed, pragmatic experience, have taken surprisingly rigid, ideological positions on this matter.

Curiously, this issue is being debated as though the American experience was unique. But the fact is that many other countries

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have faced this same problem, and a wide range of solutions have been tried. Some countries have substituted compulsory arbitration for the right to strike, thereby presumably offering the unions a fair alternative to break "impasse" situations. Other countries have widely conceded public employees the right to strike, though a few groups such as policemen, firemen, or the military may be excepted by law or voluntary agreement.

Although the United States has its own history, it is difficult in the light of experience both here and in other nations, to swallow the categorical judgment of a distinguished American labor arbitrator that: "Neither compulsory arbitration nor strikes are appropriate in public employment relations." His argument rests on the traditional citizen-taxpayer's absolute right "to establish priorities of competing executive agencies." But this does not take into account the countless ways in which this absolute fiscal right has been transferred to independent boards of education, transport authorities, public utility agencies and the like, over the years.

Before taking hard and arbitrary positions, it is well to put strikes in a proper perspective. Over the past two decades or so, strikes in the United States have generally been declining. Occasional upsurges occur, particularly during periods of war or defense—induced inflation, but generally the number of strikes have declined as union-management relations have matured. There is good reason to believe that, once the organizing phase is over, public employee unions will prove even less strike prone than those in private industry. For one thing, working conditions are generally more secure and often more pleasant and less onerous than in private industry. For this reason it is important to note that as unionism and the bargaining process is extended for the first time to millions of new employees and new institutions (public agencies) considerable friction and tension will occur. The very inexperience of the new union leaders and the public managers guarantees this. But neither should the historic trajectory of unionism be ignored either.

Because there are inherent difficulties in the adjustment to new bargaining public officials need to approach these difficulties with caution, rather than be obsessed with strikes and punishment for strikes. Admittedly, in today's transition period, most cities or states are not likely to concede the right to strike to public employees. However, rather than setting forth elaborate punishment systems for strikes which may occur, officials should take positive steps, wherever possible to improve relations.

The need for procedures

New unions are generally very much concerned about their own security and legitimacy. Public authorities, by law and by practice,

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ought to expedite ways and means of extending recognition, and exclusive recognition where the union demonstrates its majority status. Attempts to provide for clumsy proportional representation of employee groups by competing unions or associations should be avoided. The principle of granting a union that represents a majority sole and exclusive bargaining rights has been found to work best, by far, in the United States, and becomes the eventual guarantee of mature relationships.

But even with the best of intentions there will be some impasses and some seemingly irreconcilable conflicts. To deal with these, state and/or local legislation has to spell out, in advance, the kinds of procedures open to parties to resolve these difficulties. If the procedures are known before, there will be fewer "crises," for it is when procedures must be improvised at the last moment that one side or the other feels "put upon." Some states have had success with provisions that stipulate that, in the event of an impasse, the parties accept a fact-finding inquiry. Such recommendations often carry great weight in inducing the parties to accept a settlement. Arbitration may be a possible solution for public employee-management disputes in critical areas. Even though this would involve a break with the tradition of bargaining in the private sector, such history cannot be a direct guide for public bargaining. The almost accidental way in which New York City's sanitation strike, early in 1968 ended in a *joint* submission to arbitration is an indication that new pressures can lead to the acceptance of hitherto rejected solutions.

The operation of the so-called Taylor Law in New York State illustrates the problem with punitive legislation. Despite provisions banning public employee strikes, with penalties such as dismissal or the withdrawal of recognition or check-off rights from the unions, etc., the law did not head off the New York City teachers' strike or the sanitation strike. If anything the withdrawal of the teachers' union check-off of dues and the eventual imprisonment of the local union's president Albert Shanker for fifteen days, in the wake of the 1967 New York City strike, seems to have kept union militancy at a high pitch long after the strike was over.

Theodore Kheel, an experienced mediator of New York City public employee disputes, has attacked the Taylor Law on the ground that "by prohibiting strikes of public employees, the law eliminates collective bargaining. . . ." It also creates a bad atmosphere for bargaining, Kheel contends, by compelling unions to exert pressure through threats to violate the law. Kheel's critique of the Taylor Law and its pat formula is quite cogent. But in his refusal to make any distinction between public and private collective bargaining, so far as the right to strike is concerned (though he does not rule out strikes by policemen and firemen as "unthinkable") he does go too far. One should not anticipate that in all states, or in the federal government,

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collective bargaining must necessarily take on all the features of private bargaining including the right to strike for most employees.

It does not seem that the strike issue will be important in *federal* labor-management relationships. A liberal managerial policy, including important wage and benefit improvements in the past decade, has set a good framework. In his recent appearance before a special government committee reviewing experience to date under Federal Executive Order 10988, AFL-CIO President George Meany concluded that the order "has brought significant improvements in labor relations within the federal government." Although Meany recommended a number of changes in the workings of the new system, he did not question the legislative ban on strikes in the federal service. Nor did the AFL-CIO December 1967 convention resolution on federal employee bargaining say anything about the existing legal prohibition on strikes by federal government employees. Most of the unions which deal with federal employees have a voluntary strike ban provision in their constitutions.

At the state and local level, where organizing has met with more resistance, the strike issue remains more troublesome. Even here, in the words of AFSCME President Wurf, whose own union jealously defends the right to strike, at least

> The debate [now] seems to center around the right to strike, rather than the right to organize and bargain. . . . It seems only yesterday . . . that the right to bargain was at stake. . . . Now the right to strike is what is being discussed. . . . As painful as the situation is at times, it is an important step forward.

From what has already been suggested, bargaining in the public sector has to be viewed as an evolving process. What might seem to be best today, is likely to be obsolete tomorrow. The first written agreement between General Motors Corporation and the United Automobile Workers Union signed some thirty years ago was a one-page memorandum. Twenty-five years later it was a printed contract running over 200 printed pages.

At present, general wage and hour conditions are not subject to negotiations in most public employee bargaining relationships. Both in the case of classified federal civil servants and a large proportion of state and local employees, these matters are reserved to the legislators. It seems difficult to believe that public employees, once their unions are established, will be content with a situation in which bargaining over the most basic issues is outside their purview. The general management attitude that, "We can talk about individual workers' problems, or the lights or noise in this room, but general wages and hours are out—left solely to the legislature," won't go down well. Here again the United States can look to the experience of other countries. The typical European nation entered the modern

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era with civil servants regarded as part of "His Majesty's Service." The private, let alone the public lives of these servants was subject to close and highly arbitrary scrutiny by the government. Personal oaths to king or emperor were given as a condition of employment. The Europeans have passed from these quaint and paternalistic times to a situation where full bargaining rights are now accorded to public employee unions. Their activities and rights now run to bargaining power over general wage and hour changes, holidays, vacations, and most of the economic benefits that one associates with a private sector collective agreement in the United States.

Public employee bargaining and joint management

The bitter struggles by management against union organization which were part of the beginnings of unionism almost everywhere in the private sector, have little counterpart in the upsurge of public unionism today. (Some Southern states and a few Northern cities where very difficult urban-racial factors severely complicate labor relations are exceptions. New York City's 1968 teachers' strike, for example, was more a product of racial tensions than a traditional labor relations problem.) From this new start a potentially far more cooperative relationship is possible.

Public employees in their capacities as citizens often feel they "own" the government service. Indeed, one of the most interesting aspects of the public employee unionism is that union officials frequently criticize public agencies as much in their capacities as citizens as union members. This has certainly been the case with hospital unions in New York City, nurses in public hospitals in many states, and, of course, unionized teachers everywhere. Public administrators, for their part, have generally been fearful of union interests and positions that go beyond wages and working conditions and raise questions about the very nature of the organizations and policies of the agencies themselves. New York City teacher union officials have bitterly remarked that the Board of Education has taken the position that all that really concerns the teachers are money and money related matters, whereas the teachers have had community problems in mind.

In the present era there is probably an unparalleled opportunity to make public employee union-management relationships something new and unique in American labor history. In the United States there has been an important scaling upward of educational attainments in the past twenty years. As a result of this and other factors, one finds, especially among many white collar employees, a growing desire for wider participation in the decision making processes. If public managers turn their thoughts on how to *widen*, rather than limit, the scope of management-union relationships, to embrace

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serious consultation with their employees on policy matters and the organization of their agencies, all sorts of new possibilities may be opened. The public sector may provide a useful training ground for what in other countries has been variously termed co-determination, joint-consultation or workers' participation in management. Obviously these possibilities vary from agency to agency and from union to union, and there may be greater possibilities in state and local service than at the federal level. But the potentialities for new types of relationships based as much, and possibly more, on cooperative rather than conflicting bonds are formidable in the public service. As yet, however, the public managers have been more fearful than expansive in their reactions to the "new unionism."

The demands of many professional employees, most notably teachers and nurses, have from the very beginning gone far beyond wages and hours. Their very professionalism turns them to the substantive policy questions effecting the agencies that employ them. Curriculum content, the size of classes, the organization of the educational system—these and other matters run to the heart of a teacher's interests, and one can list similar professional areas for nurses.

In the long run, indeed, if public managers are to carry forward the process of enlarging the scope of union-management relationships, the unions might find it difficult to depend upon *traditional union* member loyalty patterns and appeals. The increasing professionalization of society may be the beginning of a new kind of role for organized labor, not the guild socialism once proposed by G. D. H. Cole, but some new form of participation in authority. That is one of the aspects of what Daniel Bell has called the "post-industrial" society, the coming of a new society in which professionalization becomes the commonplace mark of skilled employment. A large-scale society of professionals inevitably means a reduction of that status. But it also means the upgrading of an older worker status, and this adds to the importance of the sweeping new public employee unionism in the United States.

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CURRENT READING

Once Upon a Time . . .

"In the larger [scholarly] circle [of Max Weber], there was not too much talk about politics. An incidental remark will reveal the reason for this. . . . [Friedrich] Gundolf was sitting at a table with the host [Weber] and me, and something was said about politics. The door opened and two new guests, who happened to be students, came in and sat down with us. After an informal greeting, Gundolf said to Weber, 'You were interrupted, and were saying . . . ,' whereupon the master answered, 'I must stop; there are students here now, and naturally I don't have the right to talk about politics in front of them; it might influence them.' "

From *On Max Weber* by Paul Honigsheim

What Planners Want—And What People Want

> The new city is compact and occupies less space. It has no suburbs. The transport problem solves itself. We learn to walk again. With buldings, the remaining 88 percent being parks and sportsgrounds. —a superdensity. Only 12 percent of the ground space is occupied by buildings, the remaining 88 percent being parks and sportsgrounds. The latter are thus immediately at the foot of the buildings. The parts of the city are planned according to their various functions. The circumference of the city stops abruptly against cornland, orchards, or prairies. The city is thus surrounded by country and becomes a city of green.

Thus, Le Corbusier, the patron saint of modern architecture, and thus the majority of architecturally oriented city planners. Their solution to urban paralysis and suburban sprawl nearly always involves getting people out of single-family houses and into high-rise apartments, out of their private yards and into public parks, out of their private cars and into public transport. The only problem is that most people don't want what the city planners want.

This point is brought home vividly in an article by William Michelson, an urban sociologist at the University of Toronto, in the July/August issue of *Transaction*. He reports on a 1965 study by the University of Michigan's Survey Research Center in which a sample of

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748 men and women from thirty-two metropolitan areas were asked what they looked for when seeking a place to live.

What they looked for was obviously not what the planners think they ought to look for:

- About 85 per cent said they preferred living in private, single-family houses; this was not simply a rationalization of their current living habits since two-thirds of those not currently living in private houses would prefer to do so. (Contrary to popular belief, moreover, even among older single people, a majority preferred one-family houses.)
- Only 15 per cent wanted to live in the center of town. Twenty-five per cent would prefer to live farther away from the city. And for four out of ten even the suburbs were not far away enough; they preferred the countryside.
- Nine out of ten of those who drive to work by private car would continue to do so even if public transport could get them to work at the same cost and with no loss of time.

The conclusion is clear: "Given a chance, most people don't want centrality, multiple-dwelling housing . . . or dependence of mass transit—let alone all of them in one package." Of course, *some* people do prefer the planners' designs. But why, Mr. Michelson asks, "cannot the same imagination and energy be applied to providing what the rest of the housing market wants?"

Taxis for the Poor

"The poor have transportation problems largely because everybody else who can afford a car has one. While almost 90 percent of the nation's non-poor families own automobiles, only 57 percent of those earning less than $4,000 per year have them. This disparity will become even greater as soon as the Federal government implements its used car standards.

"The trouble is that with the exception of taxis, public transportation often doesn't go where the poor have to go. Transit systems (whether rail or bus) are primarily downtown oriented. In many large cities today, however, less than 10 percent of all trips begin or end in the downtown area and most of these take place during the peak hours. . . .

"Service cuts further worsen an already bad situation for bus users who must travel to off-central locations against or across the main flows of travel demand. For example, a worker who must travel by bus from the Southeast section to the Northwest section of Washington, D.C. must spend two hours on a trip that can be made in less than 40 minutes by car. A good rule of thumb for this type of off-central trip is that a bus user can cover only 1/3 the distance he could by car in the same amount of time. This means that the bus user's potential labor market area is 1/9 the size it might be if he had a car. . . .

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"Thanks to Detroit's 'planned obsolescence,' the initial investment for an old car is small. But upkeep and, therefore, annual cost is fairly large. For example, a nine-year-old jalopy may be worth less than $100. But owning it means spending $560 per year—over $10 per week. And this buys only 7,500 miles per year at about 7½ cents per mile. . . .

"The lot of transit dependents—rich or poor—can be improved by developing new systems to handle the low-density problem. . . . Rails are impossible and buses inadequate for those who must travel across or against the main flows of traffic—a pattern more and more common to the poor. Taxis could do the job but their fares are too high. These can be cut by 'sharing the ride'—that is, by getting the taxi to behave more like a bus.

"A taxi-bus system would use small vehicles to pick up passengers (at their doors or at any one of a very large number of *street pick-up points*) *shortly after the passengers had called for* service. Each passenger's call for service is logged in by a computer along with all other origin-destination demands currently on the system. The computer knows the location of all its taxi-buses, how many passengers are on them, and where they are heading. It selects the right vehicle and dispatches it to the caller according to some optimal routing algorithm which has been programmed into the system. And it takes him just where he wants to go. . . .

"The taxi-bus concept has been worked out in theory and 'tried out' in computer simulations. There is little doubt that technically the system will work. The question to be answered in field tests is less technological than marketing: Are enough well-off people willing to pay less than taxi fares for a taxi-like service? If so, the non-driving poor can enjoy the same system. . . ."

—From a talk by Sumner Myers in the National Planning Association *Newsletter.*

Eugenics: The Fate of an Ideology

When is an idea "progressive," and when is it not? What would one say about the doctrine of eugenics? During our own Progressive Era at the turn of the century, such reformers as David Starr Jordan, E. A. Ross, and Woodrow Wilson enthusiastically endorsed the assumptions of eugenics, and enlisted the doctrine in support of radical ideals. Such causes as pacifism and birth control derived some of their impetus from the ideas of eugenics: Jordan, the president of Stanford, opposed America's participation in World War I on the ground that "the best stock" would fall in battle. As Mark Haller points out in his fascinating book, *Eugenics: Hereditarian Attitudes in American Thought* (Rutgers University Press), "Eugenics at first was closely related to other reform movements of the Progressive Era and drew its early support from many of the same persons. It began as a scientific reform in an age of reform."

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In the 1920's, however, many Americans used eugenic arguments against immigration and defended the idea of Anglo-Saxon supremacy on biological grounds. The Ku Klux Klan used the writings of eugenicists as the basis of its defense of white supremacy. And Hitler, of course, used eugenics as the basis for sterilizing 200,000 persons, killing 50,000 feeble-minded individuals, and seeking to eliminate millions of Jews as "unfit."

The eugenics movement, writes Haller, has gone into decline. Yet from two diverse sources the ideas are slowly coming back into currency. Among biologists there is now some fear that the growth of medicine is allowing more and more individuals to live out a full life and pass along to children congenital defects—thus, in the long run, reducing the genetic adaptability of the species. Here the argument once again is "progressive" and based on science. The second source is the claim by militant black nationalists, such as Leroi Jones, that the blacks, genetically, are superior to the whites. And, as someone said about intelligence differences, what if it were so? About forty years ago, the Negro journalist George S. Schuyler wrote a satiric novel, *Black No More*. In it, some scientists had found a formula for turning black pigment white, and a clever Negro politician changed his skin color, married the daughter of a prominent white segregationist, and organized a movement to defend the purity of the white race. All went well until the wife became pregnant, and it was feared that the progeny, genetically, would be mixed. How escape? The dénouement came when the scientist who had made the original discovery announced that black pigment was superior to white, and all America turned itself black because of the ruling of science. Who knows?

Wild at the Polls?

Are the "young" (that is, those under twenty-five) really going to dominate the politics of this country? Those who have been led to believe so, owe a debt of gratitude to the editors of *Fortune* magazine for bothering to check into the relevant statistics.

Middle-aged readers—particularly if they saw a recent movie, *Wild in the Streets*, in which youth takes over the government and promptly dispatches all those over thirty-five into concentration camps—will take comfort from *Fortune's* figures. Thus, the median age *of the electorate* is at present about forty-five. (Actually, the median age of those who in fact vote is closer to forty-eight because the older eligibles are more likely to enter a polling booth.) Even if the minimum voting age were lowered to eighteen, as a number of (old) politicians have proposed, the median age of the electorate would still remain a reasonably "mature" forty-three. Indeed, the editorial points out, "for the median voting age to get anywhere close to twenty-seven [as at least one lady commentator has suggested] one-year-olds would have to begin to vote." Until then the American electorate will continue to be squarely middle-aged.

The editorial also points out that, according to the latest demo-

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graphic projections, the median age of the American population as a whole cannot reach twenty-five until the mid-1980's and, in all probability, *never* will get that low.

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STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION
(Act of October 23, 1962; Section 4369, Title 39, United States Code)

1. Date of Filing: October 1, 1968. 2. Title of Publication: *The Public Interest*. 3. Frequency of Issue: Quarterly. 4. Location of Known Office of Publication: 404 Park Avenue South, New York, N. Y. 10016. 5. Location of the Headquarters of General Business Offices of the Publisher: 404 Park Avenue South, New York, N. Y. 10016. 6. A. Publisher: Warren Demian Manshel, *The Public Interest*, 404 Park Avenue South, New York, N. Y. 10016. B. Editors: Daniel Bell and Irving Kristol, *The Public Interest*, 404 Park Avenue South, New York, N. Y. 10016. C. Managing Editor: None. 7. Owner: National Affairs, Inc. (nonprofit) 404 Park Avenue South, New York, N. Y. 10016. 8. Known Bondholders, Mortgages, and Other Security Holders Owning or Holding 1 Per Cent or More of Total Amount of Bonds, Mortgages, or Other Securities: None. 10. Extent and Nature of Circulation. A. Total No. of Copies Printed: Average No. of Copies Each Issue during Preceding 12 Months, 9,000; Single Issue Nearest to Filing Date, 10,500. B. Paid Circulation: (1) Sales through Dealers and Carriers, Street Vendors and Counter Sales: Average No. Copies Each Issue during Preceding 12 Months, 1,500; Single Issue Nearest to Filing Date, 1,500. (2) Mail Subscriptions: Average No. of Copies Each Issue during Preceding 12 Months, 6,000; Single Issue Nearest to Filing Date, 6,200. C. Total Paid Circulation: Average No. of Copies Each Issue during Preceding 12 Months, 7,500; Single Issue Nearest to Filing Date, 7,700. D. Free Distribution by Mail, Carrier, or Other Means: Average Number of Copies during Preceding 12 Months, 120; Single Issue Nearest to Filing Date, 140. E. Total Distribution: Average Number of Copies Each Issue during Preceding 12 Months, 7,900; Single Issue Nearest to Filing Date, 8,100. F. Office Use, Left-Over, Unaccounted, Spoiled after Printing: Average No. Copies Each Issue during Preceding 12 Months, 1,100. Single Issue Nearest to Filing Date; 2,400. G. Total: Average No. Copies Each Issue during Preceding 12 Months, 9,000; Single Issue Nearest to Filing Date, 10,500. I certify that the statements made by me above are correct and complete.

Irving Kristol, Editor

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